

GOVERNMENT OF INDIA
FINANCE DEPARTMENT (CENTRAL REVENUES)

Memorandum

on

Excise Administration in India

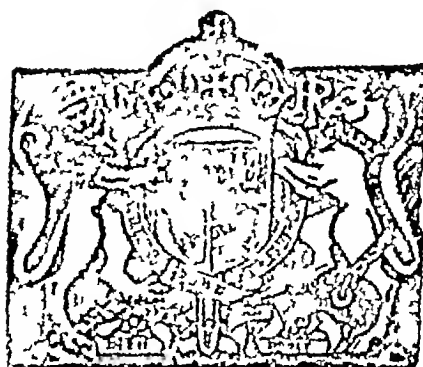
so far as it is concerned with

Intoxicating Liquors

for

1926-27.

12th Edition



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CHAPTER I — MADRAS

EXCISE REVENUE

1 The total Excise revenue for 1926-27 amounted to Rs 511 36 lakhs*, distributed under the following heads —

Heads	Receipts (in lakhs)	Percentage of total Excise revenue
	Rs	Rs
1 Country spirits	205 50	40 2
2 Toddy (Tarn)	231 92	45 3
3 Duty on country made spirit excised at Rs 17-8-0 per proof gallon	1 67	0 3
4 Country beer	5 03	1 0
5 Vend fees on imported liquor, etc	4 65	0 9
6 Opium and its preparations	41 98	8 2
7 Hemp drugs	15 66	3 1
8 Miscellaneous	4 95	1 0
Total	511 36	100 0

During the year 1925-26 the total Excise revenue amounted to Rs 494 79 lakhs, and the revenue realised from country spirit was Rs 199 06 lakhs. The corresponding figures for the year 1912-13 were Rs 330 29 lakhs and 114 57 lakhs, respectively, (cf, statements VII and VIII). The net revenue from Excise during the year 1926-27 shows an increase of about 50 per cent on the corresponding figures of 1912-13 and an increase of about 5 per cent on that of the preceding year.

This Memorandum is concerned with the first five items only.

LAW REGULATING LIQUOR TRAFFIC

2 The liquor traffic is regulated under the provisions of the Madras Abkari Act, I of 1886, as amended by Madras Acts I of 1905, I of 1913 and I of 1915.

*Includes revenue derived from excisable articles exported to Indian States.

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lery for one part of the Presidency and as a 'contract' distillery for another—and that the retail vend arrangements under both were the same

6 *Description of the contract distillery system*—Under the contract distillery system the exclusive privilege of manufacture of country spirit throughout a district or other specified area is disposed of by tender. The successful tenderer has the monopoly of supply to retail vendors within the area of his contract. The still-head duty to be paid to Government on each gallon issued is fixed and tenderers are required to state at what rate they are prepared to supply spirits of certain specified strength* at a central source of supply (distillery or warehouse) in each contract area.

7 *The area in which it is in force*—This system is in force throughout the Presidency except the non-excite tracts in the major portion of the Agency tracts (as to which see paragraph 21). The *arrack* supplied is distilled from jaggery or molasses.

8 *Character and supervision of distilleries*—The distillery in Malabar belongs to Government. In 1926-27 it was leased to contractors for the manufacture and supply of Malabar "*arrack*" to foreign liquor dealers. The other distilleries which work under the contract distillery system are all owned by private individuals or firms. Each licensed distiller has to equip and maintain his own distillery on plans approved by the Commissioner of Excise, and is bound to make any alterations or additions which the latter officer, or the Assistant Commissioner of Excise for Distilleries may consider necessary in the interest of the revenue.

9 The distilleries are worked after English methods, and each distillery has attached to it one or more officers of the Excise Department, whose duty is to check carefully, in the interest of the revenue, every detail in the process of manufacture, and to pass the spirit out in bond or on payment of duty as the case may be, for warehousing or consumption. Each distillery is in the charge of an Assistant Inspector on Rs 150—200 per mensem, and the Assistant Inspectors in charge of the more important distilleries are assisted by one or two Sub-Inspectors on Rs 60—90 per mensem. The work of these local distillery officers is supervised by the Excise Inspectors of the circles in which the distilleries are situated, the posts of two Distillery Inspectors having been abolished from 1st April 1924, i.e., from the date of the separation of the Excise and Salt departments. An Assistant Commissioner is employed for the general supervision of distilleries and for the instruction of the officers of the department in everything appertaining to distillery work.

10 Distillers and warehouse keepers are bound to provide houses, the rent of which is not to exceed a fixed sum, for the officers who supervise their operations, if suitable quarters cannot be rented in the neighbourhood at reasonable rates.

11 *Warehouses*—To facilitate the supply of liquor to vendors contract distillers are required, when necessary, to open "warehouses" within their contract areas†. These warehouses are supervised by special officers with-

*These are generally speaking 35° and 60° U P, but 38° U P is prescribed in 9 districts and 40° U P in the low duty area round Pondicherry in the South Arcot district.

†The distillery itself may be outside the contract area, e.g., the Proprietor of the Renigunta distillery, Chittoor District, does not hold the contract for the Chittoor district.

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16 *Retail vend* —The right of retail vend of country spirit is annually sold by auction by separate shops throughout the contract distillery supply area. Separate shopkeepers obtain all their liquors from the contract distillers, either direct or through the agency of the wholesale vendors referred to above. Collectors may with the previous permission of the Commissioner fix maximum prices to be charged for spirits by the retail shopkeepers. Minimum prices below which spirits may not be sold may also be fixed by the Commissioner. As a matter of fact however maximum retail prices have not been imposed anywhere, while minimum prices have been imposed only in the low duty tracts of the South Arcot district.

17 *Number of country spirit shops* —In the year 1926-27, the number of shops for the retail sale of country spirit was 5,939, against 5,936 in the preceding year—an increase of 0.05 per cent—and 8,976 in 1912-13—a decrease of about 33.83 per cent (see statement IV). The number of country spirit shops per 100,000 of the population in the years 1912-13, 1925-26 and 1926-27 was 21.68, 14.02 and 14.02 respectively. The average area served by a country spirit shop was 24.00 square miles in 1926-27, against 15.86 square miles in 1912-13 and 24.01 square miles in 1925-26 (cf., statement III).

18 *Sale strengths* —In order to obviate the watering of liquor by shopkeepers and to facilitate the detection of cases of smuggling and illicit distillation, retail vendors in all distillery areas are bound as a condition of their licenses to sell their liquor at certain specified strengths, generally 35° and 60° under proof (*vide* footnote to paragraph 6). It is one of the duties of the excise officers to ascertain by hydrometer tests that these strengths are not departed from, a due margin being allowed for reduction in strength due to natural causes. The great bulk of the liquors sold is at 35° under proof. In 1912-13 the specified strengths at which the retail vendors were bound to sell their liquor were chiefly 30° and 60° under proof.

19 *Average taxation per gallon of distillery spirits, and consumption* —The receipts from country spirit in the distillery areas amounted in 1926-27 to Rs 201.95 lakhs of which Rs 133.00 lakhs were realised from duty and Rs 68.95 lakhs from vend fees, etc. In 1912-13 and 1925-26 the revenue derived from country spirit in distillery areas amounted to Rs 141.43 lakhs and Rs 195.88 lakhs respectively. (For further details see statement VII.) The consumption of country spirit in 1926-27 amounted to 1,447,670 proof gallons or 3.42 proof gallons per 100 of the population, giving an average taxation of Rs 13-15-3 per proof gallon, of which a sum of Rs 9-3-6 was realised in the form of still-head duty and Rs 4-11-9 in the form of vend fees. In 1925-26 the consumption of country spirit amounted to 1,375,123 proof gallons or 3.25 proof gallons per 100 of the population against 1,773,673 proof gallons or 4.28 proof gallons per 100 of the population in 1912-13. The total average taxation per proof gallon of country spirit in 1925-26 was Rs 13-15-5 (Rs 9-0-7 from duty) against Rs 7-15-7 (Rs 5-12-0 from duty) in 1912-13.

OUTSTILL SYSTEM

20 *Ordinary renting system* —The excise administration of the British village of Anjengo in Travancore, which comprises an area of about one square

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There were no shops under the outstill system in Ganjam Agency in the year 1926-27. Under this system the spirit is manufactured generally from *mahua*, but no particular strength is insisted on and no accounts are kept. No limit is placed on the selling price of liquor. As regards the percentage of area under, and population served by the outstill system, please see statement V.

- (4) *Free distillation*—In the Ganjam Agency tracts no revenue is derived from *arrack*. The khonds in the Ganjam Agency are allowed the privilege of manufacture of *arrack* without payment of duty. The Oriyas in the area are prohibited from either manufacturing or selling liquor. To prevent the Khonds from abusing the right of free distillation, and to prevent the Oriyas from manufacturing *arrack*, an excise officer of the rank of Assistant Inspector and a staff of Sub-Inspectors and peons are at work in the G. Udayagiri taluk. In six muttahs of this taluk free distillation even by Khonds is restricted, by insisting on permits being taken from the revenue or excise authorities before manufacture of *arrack* is allowed. In the portions of the Gunupur and Bissemkatak taluks bordering on the Parlakimedi and Kuttai mahals, the Khonds and Savaras enjoy the privilege of free distillation for *bona fide* home consumption. In the Savara hills bordering on the central distillery area of the Gunupur taluk, it has been decided to restrict the privilege to special occasions, and under permit for each occasion.

22 The total receipts from country spirit under the non-distillery systems amounted in 1926-27 to Rs 3 55 lakhs, against Rs 3 14 lakhs in 1912-13 and Rs 3 18 lakhs in 1925-26.

TODDY

23 Toddy (known in North of India as *tari*) is the sap of the palm tree.

24 *Unfermented or sweet toddy*—Unfermented toddy is not subject to any taxation in Madras, but has to be drawn in pots freshly coated internally with lime (to prevent fermentation). In East Godavari, West Godavari, parts of Guntur and Agency tracts, licenses (for which no fee is charged) are required for the tapping of trees for this "sweet toddy".

25 *Fermented toddy Tree tax system*—Fermented toddy is taxed by means of fees payable for the right of retail vend and also by means of the tree-tax system, under which a fixed fee is charged for every tree, from which it is intended to draw fermented toddy.

26 Where the tree-tax system is in force no palm trees can be tapped for the purpose of producing fermented toddy without a license, upon issue of which the tree is marked to indicate that a license has been obtained for it. The tapping of unmarked trees for the purpose of producing fermented toddy is an offence.

Licenses for the tapping of trees for fermented toddy are issued on payment of tree-tax, on the application of toddy shopkeepers, of the contractors

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The rates of tree-tax in 1912-13 were as follows —

Palm	The districts of Ganjam, Vizagapatam, South Kanara and Malabar	The districts of Godavari, Kistna, Guntur, Nellore, Cuddapah, Anantapur, Bellary, and Kurnool (including Banganapalli)	The districts of Chingleput except Saidapet taluk, North Arcot, Chittoor, and South Arcot	The rest of the Presidency
	Rs A P	Rs A P	Rs A P	Rs A P
Cocoanuts	2 4 0	3 0 0	3 6 0	3 12 0
Sago	4 8 0	6 0 0	6 12 0	7 8 0
Palmyra or date	1 8 0	2 0 0	2 4 0	2 8 0
Dadasal*	0 12 0			

28 A minimum number of trees must be applied for, for tapping purposes, before a license is given. The prescribed minimum varies in different tracts.

29 *Vend licenses* —The privilege of retail vend in each shop is sold separately by auction. The number of licenses issued for the retail sale of toddy was 10,355, against 14,478 and 10,434 in the years 1912-13 and 1925-26, respectively (c f, statement IV). There was, on an average, 1 shop for 13.76 square miles and 24.45 shops for every 100,000 of population, the figures for 1925-26 were 1 shop for 13.66 square miles and 24.64 shops for every 100,000 of population, and those for 1912-13 were 1 shop for 9.83 square miles and 34.96 shops for every 100,000 of population.

30 *Method of procuring trees for tapping* —The shopkeepers and other persons to whom licenses for tapping may be granted make their own arrangements for procuring trees, either from private owners or from Government. The usufruct of palm trees on Government waste land was formerly disposed of by auction, but in 1926-27 a fixed fee per tree was charged in most districts. This fee was for the use of the trees and was quite distinct from the tree-tax.

31 *Geographical extent of the tree-tax system* —In 1926-27 the tree-tax system was in force throughout the Presidency except the Nilgiri district, the Wynad taluk and the Attapady valley in Malabar and portions of Agency.

* In South Kanara alone

covered a maximum price of \$1.00 per acre for the entire city of St. Paul, Minnesota, for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

1. General—The maximum price of land covered by the maximum price act was \$1.00 per acre for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

2. General—There is no maximum price for the sale of "building lots" covered by the maximum price act. The maximum price for the sale of "building lots" is \$1.00 per acre for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

3. General—The maximum price for the sale of land covered by the maximum price act is \$1.00 per acre for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

4. General—The maximum price for the sale of land covered by the maximum price act is \$1.00 per acre for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

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General Provisions

7. General—The maximum price for the sale of land covered by the maximum price act is \$1.00 per acre for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

8. General—The maximum price for the sale of land covered by the maximum price act is \$1.00 per acre for the year 1900-1901 and for the year 1901-1902. The maximum price for the year 1902-1903 was \$1.00 per acre for the entire city of St. Paul, Minnesota.

other cases are issued on payment of fixed fees. In addition to the beer licenses referred to in paragraph 12, licenses of the latter class are —

- 1 *Wholesale license*.—Fee Rs 1,000 per annum in the Madras Town and Rs 250 per annum in other districts. Under this license the consumption of liquor on the shop premises and its sale in quantities less than two Imperial gallons or a dozen reputed quart bottles or two dozen reputed pint bottles of each kind at a time are prohibited. The holders of this license have, however, the privilege of issuing to licensed dealers samples of liquor in quantities not exceeding one pint. Distillers and holders of licenses for the wholesale vend of foreign liquors are also granted, (i) on payment of a separate fee of Rs 250 per annum, licenses for the compounding and blending of foreign liquor for sale, and (ii) on payment of separate fee of Rs 50 per annum, licenses for the bottling of foreign liquor for sale.
- 2 *Retail "off" licenses for the sale of all kinds of foreign liquor except "Indian beer"*—Fee Rs 500 per annum in the Madras Town, Rs 1,000 in the Nilgiris except Gudalur, Rs 250 in towns with a population of 25,000 and over and in Kodaikanal, Yercaud and Cochin, in Shyali, Tiruturaipundi, Tiruvadania and Tenkasi taluks, and Rs 150 in the rest of the Presidency. Under this license the sale of less than one reputed pint or more than two Imperial gallons in one transaction is prohibited.
- 3 *Hotel license*—Fee Rs 500 or Rs 250 per annum (according as the license is of the first or second class) in Madras, Rs 100 or 50 per annum on the Nilgiris and Rs 50 or Rs 25 per annum in the rest of the Presidency. In Madras the holders of a "Hotel" license may also be granted a separate "bar" license for the sale of all kinds of foreign liquor under the same conditions and to the same extent as tavern keepers, on payment of a monthly fee of Rs 100 for a first class and Rs 50 for a second class bar, special bar licenses are also issued to others than holders of hotel licenses with the previous sanction of the Commissioner of Excise.
- 4 *Ordinary refreshment room license*—Fee Rs 500 per annum in Madras and Rs 75 in the rest of the Presidency. Under this license the sale of liquor for removal from the premises is prohibited.
- 5 *Railway and dak line refreshment room*—The fee ranges from Rs 50 to Rs 250 per annum. Under this license the sale of liquor for removal from the premises is allowed only up to one reputed quart in the case of spirits or two reputed quarts in the case of other kinds of liquors to *bona fide* travellers.
- 6 *Occasional license*—Fee Rs 100 or less for each license. This license is granted for periods not exceeding 10 days at a time, and no removal of liquors from the premises is allowed under it.
- 7 *Special license*—This is granted on terms and conditions determined by the Collector in each case when the circumstances are such

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needed and has already brought about a very large reduction in their numbers. The maximum number of hops to be opened in each district is fixed according to requirements.

49 *Activities of Excise Licensing Boards and Excise Advisory Committees*—During the year under report Advisory Committees were consulted as usual regarding the number and location of hops in municipalities and union areas. No new committees were formed during the year. The committees recommended the closure of 38 shops and a change of site in respect of 95 shops, their recommendations were given effect to in 11 and 72 cases respectively. A toddy shop was closed in one village in response to a desire to avoid drink on the part of the Adi-Dravidas. The Excise Licensing Board for the City of Madras met 4 times during the year. The Corporation of Madras did not elect any members to sit on the Board. In September 1926 Government passed orders accepting the proposals of the Excise Advisory Committee for the constitution of Excise Licensing Boards for major municipalities with a population of over 50,000 and of Excise Advisory Committees with non-official majorities for revenue divisional areas including smaller municipalities. These orders are now being given effect to.

50 *Specific measures adopted for reducing the drink evil*—The end in view is to decrease consumption without stimulating crime. The specific measures which have been adopted with a view to achieving this object are—raising gradually the rates of duty and tree-tax, reducing the sources of supply, reducing the strength of liquor and the limit of private possession, prohibiting the sale of arrack in certain areas where toddy is the prevailing drink, and forbidding the sale of liquor to certain hill tribes and women. These measures have for the most part been introduced since 1918-19. There has been a very marked decline in the consumption of licit arrack since 1919-20. The consumption of licit arrack during 1926-27 was less than that in any year since 1912-13 except 1925-26, while the number of cases reported under illicit distillation and kindred offences was the highest, the figures of crime relating to illicitly distilled spirits which were 979 cases in 1912-13 stood at 2,202 in 1926-27, i.e., an increase of 125 per cent. The figures indicate that illicit distillation is widespread, and the whole sale scale, on which it is carried on in certain parts of the Presidency, will be evident from the following instance which occurred during the year. In February 1927, a raid of Tondapi village in Guntur district was made, and 7 regular stills were discovered in actual working. Special measures were ordered to be taken to put down this class of crime. Two additional circles were formed in Salem and Coimbatore districts in order to give the inspectors a reduced jurisdiction over which they might exercise closer supervision. The result of the above steps is seen in the increase in licit consumption during 1926-27.

51 *Experiments in prohibition*—The experiment of closure of arrack shops in certain toddy drinking areas was continued during the year in the taluks of Shiyali, Tiruthirapundi, Tiruvadana, Tenkasi and Atur. The result of a three years' trial of the experiment showed an increase in consumption of foreign liquor and an increase in illicit distillation in Atur taluk. In the Tenkasi taluk 19 cases of smuggling of Travancore arrack were detected during the year, and the experiment also led to illicit distillation in the taluk where such crime was

unknown previously. It has been decided to continue the experiment in these areas for a further period of two years with the limit of private possession of arrack reduced to 2 drams. The experiment of prohibition of sale of liquor to the members of the hill tribes on the Nilgiris except on a medical certificate was continued during the year. There was a substantial increase in the consumption of foreign liquor under all heads, especially under beer when compared with the figures in the first year (1924-25) of the experiment. This clearly indicates that the hill tribes managed by various means to evade the prohibition law. They got their liquor mostly through middlemen. There was a substantial increase in the number of cases of unlicensed sales during the year. The question of prohibiting the possession of liquor by any member of the hill tribes except on a medical certificate is under the consideration of Government.

52 *Temperance societies, municipal councils and local bodies*—The usual temperance societies are reported to have continued to work during the year, except in a few localities these societies did not achieve any noticeable results. The Guntur Municipal Council refused to nominate members to sit on the Advisory Committee. The Salem Advisory Committee was for the first time after many years attended by the municipal representatives at its meeting on 29th March 1927. As in the previous year, the Taluk Boards of Ramchandrapur and Bhimavaram did not permit the location of liquor shops in their lands, nor the tapping of their trees for fermented toddy. Similar action was also taken by the Taluk Boards of Cocanada and Rajahmundry, in the Nellore district the local fund trees were not made available for tapping. These measures had no appreciable effect on crime or consumption.

53 *Any important or new legislation or resolution or Bill in the Legislative Council*—During the Budget debate of March 1927 a motion for the reduction of the grant under '6 Excise' by Rs. 100 was moved in the Legislative Council. The motion was carried by 59 votes against 50.

54 *Convictions for drunkenness*—There were 8,417 convictions for offences, of which drunkenness formed a part in places in which the Town Nuisances Act was in force. The Madras City with 2,284 cases contributed 27 per cent of the total number of convictions. For further information in respect of convictions for excise and opium offences and those relating to country spirits during the years 1912-13, 1925-26 and 1926-27, please see statements IX and X.

55 *Excise Administration*—From 1st April 1924 the combined Salt and Abkari Department which has been in existence since 1884-85 was divided into separate departments of Excise and Salt. The Excise Department was also separated from the Board of Revenue. The control of the excise administration in the Presidency was vested in the Commissioner of Excise, who continues to be a Member of the Board of Revenue. There is a Secretary who belongs to the cadre of Assistant Commissioner and an Assistant Secretary in the scale of Rs. 400—50—650. Under the Commissioner is the staff employed for the realisation and protection of the excise revenue. The superior officers are 10*—Assistant Commissioners (8 on Rs. 600—50—900 a month, 2 on Rs. 1,000—100—

* One does duty as Secretary to the Commissioner of Excise, one as Assistant Commissioner for Distilleries in the place of the late Abkari Deputy Commissioner, and one is deputed to do duty as Superintendent of Excise, Civil and Military Station, Bangalore.

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1,200 a month) in charge of divisions comprising groups of districts, 63 Inspectors (on Rs 325-525) in charge of circles comprising parts of districts, and 30 Assistant Inspectors (on Rs 150—200 a month)

56 The functions of these establishments with respect to the liquor traffic are the supervision of distilleries, the prevention of illicit distillation and smuggling of country spirits, the examination of shops, the marking of licensed palm trees under the tree-tax system, and the prevention of tapping from unlicensed trees. The sales of the right of the vend of liquors of all descriptions to which the auction system applies are, as a rule, conducted by the Land Revenue officers, who are assisted by the special establishment with information in respect of reasonable prices for shops and farms, combination amongst bidders to reduce prices and similar important matters. Collectors are generally responsible for the excise administration of their districts, though relieved of preventive work by the officers of the Excise Department who are in other respects their assistants for abkari purposes. Assistant Commissioners have been relieved of direct control over distilleries and warehouses in the Presidency. The distillery circles which were in existence were abolished on the formation of the separate Excise Department. The distilleries and warehouses are now under the control of the Inspectors of the circles in which they are situated. These Inspectors work under the orders of the Assistant Commissioner for distilleries in respect of distillery matters. An Inspector has been appointed for the detection of offences connected with *ganja*, cocaine, opium and other excisable articles especially on railways, he is also in charge of the Excise Intelligence Bureau, Madras. There are two Assistant Inspectors working under him. In order to increase the usefulness of the Bureau the finger print system of identification of the old offenders under the Abkari and Opium Acts has been introduced, but the registration of finger prints in abkari and opium cases is left to the police.

57 *Incidence of excise revenue per head* — Calculated on the Census returns of 1921, the average total excise revenue in Madras was Re 1-3-0 per head in 1926-27, of which nearly 9/10ths was realised from liquor. In 1912-13 the average total excise revenue per head of the population was Re 0-12-9, and in 1925-26 Re 1-2-5.

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CHAPTER II —BOMBAY PRESIDENCY PROPER

58 *Excise revenue* —The total Excise receipts (excluding revenues derived from excisable articles issued to Indian States) for the year ending 31st March 1927 amounted to Rs 320 65 lakhs as shown below —

	Receipts (in lakhs of Rs)	Percentage of total Excise receipts
(1) Country spirit	211 26	65 9
(2) Toddy	46 63	14 5
(3) Duty on rum, etc , manufactured in India and excised as foreign	6 74	2 1
(4) Duty on malt liquors manufactured in India	0 29	1
(5) License and vend fees on imported liquors etc , (in- cluding receipts from commercial spirits)	11 79	3 7
(6) Opium and its preparations	21 38	6 7
(7) Hemp drugs	20 43	6 4
(8) Fines, forfeitures and miscellaneous	2 13	6
Total	320 65	100 00

In the previous year the total Excise revenue amounted to Rs 347 56 lakhs and the revenue realised from country spirit was Rs 237 05 lakhs. The corresponding figures for the year 1912-13 were Rs 188 65 lakhs and Rs 145 65 lakhs, respectively.

This Memorandum is concerned only with the first five items.

59 *Law regulating liquor traffic* —The liquor traffic was regulated by the Bombay Abkari Act V of 1878, as amended by Bombay Acts III of 1892, I of 1903, III of 1905, XII of 1912, and IV of 1925. The Indian States in the Presidency*, as a rule, either lease their abkari rights to the Bombay Government, or manage their abkari matters in accordance with agreement made with that Government.

COUNTRY SPIRIT

60 What is known in Bombay as "country spirit" is manufactured after European methods in large and well organised distilleries. The spirit is distilled either from the dried flowers of the *mahua* tree (*Bassia latifolia*) or from molasses. The whole of the Bombay country spirit revenue was realised

* Excluding Cutch, those in Kathiawar and under the Banas Kantha Agency and the States of Idar, Danta and Pol in the Mahi Kantha which do not adjoin British districts.

partly under the contract supply system and partly under the departmental supply system, described in the following paragraphs

CONTRACT SUPPLY SYSTEM

61 *Description of system* — Under this system the right of manufacture and wholesale supply of country spirit in each district or group of districts is given to a selected tenderer at a fixed price per gallon at specified warehouses, whence it is sold to retail vendors at a price fixed by Government. The system was confined in the year 1926-27 to the Mahi Kantha leased area and the San-kheda Mewas leased area which were supplied from the Dabhoda distillery in Mahikantha.

DEPARTMENTAL SUPPLY SYSTEM.

62 Under this system the distilleries are worked and the liquor supplies to the licensed shops are managed departmentally. The price charged to the licensees for the liquor is fixed by Government on the same principle as that for the areas supplied under the contract supply system. There were three distilleries in 1926-27 working under departmental management, viz, the Nasik distillery, the Khanapur distillery and the Dhadgaon distillery. The Nasik distillery supplied the Bombay City and the districts of Thana, Kolaba, Nasik, Poona, Sholapur, Ahmednagar, East and West Khandesh, Ahmedabad, Kaira Panch Mahals, Broach and Surat, the Khanapur distillery the districts of Satara, Kanara, Belgaum, Dharwar, Bijapur and Ratnagiri, and the Dhadgaon distillery, the Akrami tract in West Khandesh.

63 Liquor was supplied to retail vendors either from a distillery or from a bonded warehouse. There were no warehouses in Belgaum district as it was easy to supply it from the distillery direct, whilst others, such as Surat, Nasik, Thana, Kolaba, Ratnagiri, Kanara and Dharwar had more than one warehouse. The number of warehouses during the year under review was 36.

64 *Supervision of distilleries* — At each distillery there was a resident Inspector with a small subordinate staff whose duty it was to protect the revenue by checking the various processes of manufacture and passing the liquor out for consumption. With the exception of the Sewri and Ahmedabad warehouses, which were in charge of resident Inspectors, all liquor warehouses were in charge of Sub-Inspectors with a similar staff. The cost of this staff was borne by Government. All the distilleries, with the exception of that of Dabhoda and some of the warehouses, were the property of the Government. The remaining warehouses belonged to private individuals and were leased by the Government for various terms.

65 *Strengths of issue* — Liquor could be issued from the distillery for removal to the bonded warehouse at four strengths, viz, overproof, 30° U P, 40° U P, or 60° U P, but liquor of overproof strength had to be reduced at the warehouses to the authorised sale strengths of 30° U P, 40° U P, or 60° U P, before it was issued to retail vendors.

66 *Rates of still-head duty* — The rates of duty charged varied not only in different districts, but in parts of the same district. They ranged in the years 1925-26 and 1926-27 from Rs 2-4-0 to Rs 7-12-0 per gallon on spirit of 40° U P (corresponding to Rs 3-12-0 and Rs 12-14-8 per proof gallon) and from Re

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1-0-0 to Rs 5-0-0 per gallon on the 60° U P spirit. In 1912-13 they ranged from 12 annas to Rs 5-4-0 per gallon on spirit of 25° U P and from 6 annas to Rs 2-10-0 per gallon on the 60° U P spirit.

67 *Strengths at which liquor was sold* — As stated in paragraph 65, liquor was sold ordinarily only at two strengths viz, 40° U P and 60° U P, though in a few cases the sale of 30° U P was allowed. In 1912-13 liquor was sold ordinarily only at two strengths, viz, 25° U P and 60° U P, but it was also sold at 40° U P in certain parts. The sales were subject to no maxima selling prices, except in the case of fixed-fee shops where the prices were fixed and, like the rates of duty, varied materially in different districts.

68 *System of disposal of shops* — Shops were sold by unrestricted public auction with the exception of those (1) in the Akram tract of the West Khandesh district and (2) on the borders of the Indian States some of which were disposed of under the fixed-fee system. The retail vendors obtained the privilege of vend for single shops by bidding in open auction. Where the fixed-fee system was in force, the fees were calculated in accordance with the prescribed scale and were based on the previous years sales at each shop. The shop was offered in the first instance for the fees so calculated to the existing holder, provided that his management had been satisfactory, and failing him to the licensee of the next previous year. If both these licensees were considered unsatisfactory or refused the offer made to them, the shop was disposed of to any approved applicant.

69 *Rationing of shops* — The system of rationing liquor shops, which was introduced from 1st April 1922, except in the Akram tract was continued during the year. Shops were auctioned for a period of 12 months from 1st April 1926, the ration for the period being based on the ration of 1925-26 less 10 per cent in Bombay and 5 per cent in Mofussil and not on the consumption of 1920-21 as hitherto.

70 *Revenue, consumption and average taxation* — The revenue realised under this system in 1926-27 amounted to Rs 211.26 lakhs, of this Rs 129.99 lakhs were realised from duty and Rs 81.27 lakhs from vend fees. The issues of spirits amounted to 1,297,176 proof gallons. The average taxation was thus Rs 16.29 per proof gallon, of which Rs 10.02 were derived from duty and Rs 6.27 from vend fees. In 1925-26 the revenue realised under this system amounted to Rs 237.05 lakhs and the quantity of spirit issued was 1,387,390 proof gallons. The average taxation was thus Rs 17.08 per proof gallon. In 1912-13 the receipts from spirits under the contract supply system amounted to Rs 96.64 lakhs and the issues of spirit to areas under the same system amounted to 1,826,089 proof gallons. This gives an average taxation of Rs 5-4-8 per proof gallon.

TODDY

71 As in Madras, the Bombay toddy revenue is derived from two sources, viz, tree-tax on the palms from which toddy is drawn, and license fees for the right of vend, but the total revenue obtained is much smaller than it is in Madras. In Madras fresh toddy is exempt from taxation, in Bombay no such exemption is allowed, as it is held that fermentation begins in toddy as soon as it is drawn from the trees.

72 *Taxes*—The tree-tax was universal in the Bombay Presidency but the rates of the tree-tax varied materially in different districts and even in parts of the same district. They were highest in the previous year, in Kolaba, Ratnagiri and parts of Thana Koldoba and Surat viz., Rs. 12 per annum for each coconut and palm tree tapped and Rs. 6 on each date and wild palm, Rs. 4 on each mango and 1 anna per tree in Kaira and Panch Mahals respectively. The more common rate was Rs. 6 for a coconut or brab and Rs. 3 for a date or wild palm. The rate of tree-tax were the same in the year 1912-13.

73 *Heads*—Heads to be tapped were indicated by numbers and marks. The tappers placed the heads themselves under the supervision of Excise Officers.

74 *Domestic consumption, licenses etc. in Kaira*—In the Kaira district, heads were granted to the owners of trees to tap on payment of tree tax a limited number of trees for domestic consumption only. If shops were set up for sale of toddy a license fee of Rs. 10 a year was required.

75 *Domestic consumption licenses in the Panch Mahals*—In the Panch Mahals heads for domestic consumption were granted free of cost without payment of any fee or tree tax to each household the number of free trees allowed being not more than one tree for every two toddy drinker. If any tree was tapped in excess of the free allowance or for the sale of toddy, a tax of 1 anna per tree tapped was levied. Toddy was allowed to be sold under a booth license which was printed at a fee of Rs. 1 per year. No shops were allowed.

76 *General license fee system*—In the remaining districts the sale of toddy was conducted under the separate licensing system under which four kinds of licenses were ordinarily allowed—

- (a) Shop licenses
- (b) Tree-foot booth licenses
- (c) Domestic consumption licenses and
- (d) Hawking licenses in the Town and Island of Bombay

77 These licenses were granted on payment of tree tax and in the case of shop tree-foot booth and hawking licenses on payment of license fees in addition. In the case of hawking licenses the number of trees to be tapped was limited to 25 trees. Such licenses have been abolished in the mofussil in accordance with the policy of the Government.

78 There were, however, some variations in the way in which this system was applied to the different districts—

- (1) In the Town and Island of Bombay the tappers were independent of the shopkeepers. They paid the tree-tax and supplied the toddy as they pleased to shopkeepers and hawkers. The shop licenses, tree-foot booths and toddy-hawkers' licenses were all disposed of by open auction.
- (2) In all the remaining districts the system was uniform. The shopkeepers made their own arrangements with tappers who got tapping licenses on the application of shopkeepers and on payment of tree-tax. In all these districts, except Ratnagiri and Coast Kanara, toddy

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shops were auctioned for a period of one year only from 1st August 1926 to 31st July 1927. In Bombay, Ratnagiri and Coast Kanara the period ran from 1st April 1926 to 31st March 1927.

Licenses to tap and sell toddy at the tree-foot booths were also auctioned for a period of one year from 1st August 1926 to 31st July 1927 in all the districts except Ratnagiri and Coast Kanara where the period was from 1st April 1926 to 31st March 1927.

Licenses to tap a limited number of trees for domestic consumption only were issued to the owners of trees on payment of tree tax only.

(3) Maximum prices for the retail sale of toddy at shops and tree-foot booths were abolished with the introduction of the auction system in all the above districts.

With a view to encourage the manufacture of *gul* from the juice of toddy trees the tapping of these without the payment of tree-tax was permitted.

79 *Toddy receipts* — The consumption of toddy was largest in Surat, Thana Ratnagiri, Poona and Dharwar districts and in the Town and Island of Bombay. The total revenue realised under this head in the year under report amounted to Rs 46 63 lakhs, of which Rs 18 01 lakhs were obtained from tree-tax. In 1925-26 the total revenue amounted to Rs 49 07 lakhs, compared with Rs 19 96 lakhs in the year 1912-13.

INDIAN FOREIGN SPIRIT

80 Rum, and other potable liquors, rectified spirits, spirits of wines, etc., manufactured in the Bombay Presidency or imported from other parts of India and treated as "foreign liquors" for fiscal purposes were assessed to duty at the rate of Rs 17-8-0 per proof gallon and were sold under licenses for the vend of foreign imported liquors. The duty on Indian-made spirits used in medicinal and toilet preparations manufactured in the Bombay Presidency, or imported into the Presidency from Indian States within the geographical limits of the Bombay Presidency, was levied at a reduced rate of Rs 5 per proof gallon. This concession rate applied also to other Indian States and British Indian Provinces, if the same treatment was accorded to exports of similar preparations from the Bombay Presidency. Rectified spirit of Indian manufacture used for denaturation or industrial purposes under proper authority was exempt from duty. The use of duty free alcohol was also allowed to selected schools and colleges for teaching and research purposes. The duty on rum, etc., falling under this head, amounted in 1926-27, to Rs 6 74 lakhs, against Rs 3 50 lakhs in the preceding year and Rs 2,756 in the year 1912-13.

MALT LIQUORS MANUFACTURED IN INDIA

81 There were no breweries in the Presidency.

IMPORTED LIQUORS

82 These paid customs duty on arrival in India and the Excise revenue was realised in the shape of vend fee at the rate of Re 1-8-0, Re 0-12-0 and Re 0-6-0 per dozen quart bottles of spirit (except rectified spirit), wine and beer respectively, and Rs 2-0-0 per dozen quart bottles of rectified spirit of proof strength when the liquor was in bottle, and at the rate of Re 1-0-0

per proof gallon of spirit and Re. 0-6-0 and Re 0-3-0 per bulk gallon of wine and beer, respectively, when the liquor was in wood. This vend fee was levied at the time of clearance from the Custom House, in addition to the license fee charged for the right of vend at the shops. Fees at these rates were also levied on corresponding Indian-made foreign liquor manufactured in the Bombay Presidency or imported from other parts of India. The shop licenses were classified as (1) "wholesale" with a minimum limit of sale of two gallons in the case of potable spirit and five gallons in the case of denatured spirit, (2) "retail off" with a minimum limit of sale of one pint, (3) "retail on" (all three in Bombay City only), and (4) "off" with a minimum limit of sale of one pint in the mofussil. In Bombay 159 "wholesale", 60 "retail off", and 36 "retail on" licenses were issued in 1926-27 whilst 135 "off" licenses were issued in the mofussil. There were also special licenses for sale in hotels, refreshment rooms, travellers' bungalows, etc. With the exception of a few non-privileged "on" shop licenses in the Town and Island of Bombay which were disposed of by public auction, the remaining licenses were all issued on payment of fixed fees, the rates of which varied according to the circumstances of each case. Licenses were also issued on payment of a small fixed fee for the sale of imported liquors at Military Canteens established under the "Canteen Tenant" system. From the commencement of the year under report clubs supplying foreign liquor to their members were licensed.

The number of licenses for the sale of foreign liquors was 2,265 against 1,908 in the preceding year. The increase was due to an increase in the number of wholesale and retail licenses for the sale of denatured spirit used for industrial purposes and of temporary refreshment stall licenses. The licensing of clubs selling liquor to their members from the commencement of the year under report also contributed to the increase.

The minimum strength at which foreign liquor could be sold in Bombay or in the mofussil was 35° U P in the case of gin and 25° U P in the case of other potable spirits, liqueurs, whiskies and brandies selling at not less than Rs. 50 per gallon were, however, permitted to be sold at strengths lower than 25° U P.

83 *Imports and consumption of foreign liquors*—The imports of foreign liquors into Bombay City by sea during the year under review, compared with those of the previous year and 1916-17 were as follows—

Year	Fermented liquors	Wines	Potable spirits
	Liquid gallons	Liquid gallons	Proof gallons
1926-27	1,154,788	95,863	292,839*
1925-26	912,898	88,537	294,409†
1916-17	973,785	95,545	252,749

* Includes 474 liquid gallons of liqueurs

† Includes 170 liquid gallons of liqueurs

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The following table gives the statistics of sales of potable foreign liquors imported in the year under report, compared with those in the previous year and 1916-17

Year	Fermented liquors	Wines	Potable spirits
	Imperial gallons	Imperial gallons	Imperial gallons
1926-27	520,667	35,112	214,572
1925-26	499,341	29,792	217,240
1916-17	717,849*	64,098	282,681†

* Figures inclusive of those relating to liquor manufactured in India

† L P Gallons

The increase in the consumption of fermented liquors is reported to be due to the newly-acquired taste among the working classes for beer which is comparatively cheaper than country spirit. The increased consumption of wines is attributed to the preference shown by the consumers to foreign liquor. The decrease in the consumption of imported potable spirits is said to be due to the increased consumption of Indian-made foreign liquor.

It may, however, be mentioned that the figures of sale of foreign liquor maintained by licensees are wholly unreliable. Moreover, the apparent fall in potable spirits in the years 1924-25, 1925-26, and 1926-27 is due to the fact that from the year 1923-24 only actual retail sales are taken into account in the case of Bombay, whilst statistics of previous years were made up of both wholesale and retail figures as the licensees did not keep separate accounts of these transactions.

LOCATION OF SHOPS

84 The number of liquor shops was gradually lessened wherever diminution was possible without risk of stimulating the sale of illicit liquor. Whenever new shops were opened, care was taken to ascertain previously the wishes of the local residents. Local Advisory Committees existed for the consideration of questions affecting the number and location of liquor shops both in municipal and rural areas throughout the Presidency proper. The precise constitution of the committees was determined by the Local Government. Ordinarily each of them had 9 members of whom six were non-officials. The Government of Bombay have ordered that no new shops should be opened in any locality without their sanction which will be granted only in very exceptional cases.

85 *Temperance activity* —As regards temperance propaganda, so far as the City of Bombay is concerned, there is nothing to add to what was stated in last

year's report except that opportunity was taken during the National Baby Week to demonstrate the evils of drink and its effect on progeny

In the mofussil there were no temperance activities of any kind except in the Broach and Kaira districts. In Broach there was a vigorous temperance movement among the Bhils with whom the Machhis (fishermen) made common cause to some extent. In the Borsad taluka of the Kaira district, there was a short-lived caste movement to stop drinking but no sustained measures were taken to promote temperance.

RESUME OF IMPORTANT RESOLUTIONS ISSUED

86 (a) In connection with the excise arrangements for the year 1926-27 it was directed that the rationing policy should be continued in that year. The reduction was, however, directed to be made on the ration of the preceding year and not on the consumption of 1920-21, the rate of decrease being 10 per cent in Bombay City and 5 per cent in the mofussil. It was also directed that the unit of rationing should be the district and not the shop. With a view to check blackmailing auctions were held simultaneously throughout the Presidency proper.

(b) The suggestion for the relaxation for rules permitting the tapping of date-palm trees for *gul* with a view to establish *gul* manufacture as a secondary cottage industry was considered, but it was not found to be feasible for the reason that the profits from the sale of toddy are so much larger than those from the manufacture of toddy-*gul* that any relaxation of the restrictions is bound to lead to abuse.

(c) With effect from 1st April 1926 clubs were required to take out a license for the supply of liquor to their members and to pay fees on the following scale —

I—Sparkling wines and liquors, Rs 6 per dozen quart

II—Spirits, Rs 4-8-0 per dozen quart

III—Sherry, port, madeira, vermouth, milk punch and allied wines usually taken in small glasses, Rs 2-4-0 per dozen quart

IV—Other light wines, annas 12 per dozen quarts

V—Beer, cider and fermented liquors, annas 6 per dozen quart

OFFENCES AGAINST ABKARI LAW

87 The total number of cases detected during the year under report was 5,938 against 5,214 in the previous year and 2,795 in the year 1912-13. Of these 5,416, 4,485 and 1,282 related to liquor during the years 1926-27, 1925-26 and 1912-13, respectively, and the rest to hemp drugs and cocaine. Liquor cases therefore increased in the year under report by 931, the increase being due to high prices of licit liquor, and the vigorous efforts made by the Excise officers in suppressing crime. Those under "illicit distillation" increased from 2,611 to 2,882. Those under "illicit importation, exportation and transportation" increased from 289 to 460 and those under "unlicensed sale" and "other miscellaneous offences" from 106 to 158 and from 562 to 1,046, respectively. Cases under "illicit possession" decreased from 917 to 870. Convictions for drunkenness were 3,447 against 3,834 in the previous year and 5,031

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in the year 1912-13 Out of the total number of convictions for drunkenness during the year under report, 2,439 occurred in the Town and Island of Bombay

ADMINISTRATIVE AGENCY

88 The administration of the Abkari Department is vested by the Bombay Abkari Act in the Collectors of districts (under the general control of the Commissioner of Excise) assisted by a staff of a Deputy Commissioner and Superintendents of Excise, distillery and preventive Inspectors, Assistant Inspectors and Sub-Inspectors, special ministerial officers (such as clerks and *karkuns*) and a force of peons Certain powers under the Act are also conferred on officers of kindred departments, such as the Customs, Salt, Police and Forest who render assistance in checking the manufacture, importation or sale of excisable articles in contravention of the Act For the supervision of distilleries and bonded warehouses in the Presidency proper, the Presidency has been divided into two circles, *viz*, the Northern and Southern circles The distilleries and bonded warehouses in each circle have been placed in charge of an Inspector The whole cost of the distillery supervising establishment is debited to Government

INCIDENCE OF EXCISE REVENUE PER HEAD

89 Calculated on the figures of the census of 1921 the incidence of the total Excise revenue realised in the British districts of the Bombay Presidency outside Sind (*viz*, 320.65 lakhs) was Rs 2 per head of which about seven-eighths were attributable to liquors The incidence of total Excise revenue per head of population in 1925-26 amounted to Rs 2.17 against Rs 1.01 in 1912-13

CHAPTER III—SIND

90 *Excise Revenue*—The total Excise revenue for the year ending 31st March 1927 amounted to Rs 10 58 lakhs and was realized under the following heads —

Head	Receipts (in lakhs of rupees)	Percentage of total excise receipts
(1) Country spirit	21 86	53 88
(2) Toddy	0 05	0 12
(3) Duty on country rum, etc manufactured in India and excised as "Foreign"	0 10	0 25
(4) License and vend fees on imported liquors, etc (including receipts from commercial spirits)	3 41	8 40
(5) Opium and its preparations	5 71	14 07
(6) Hemp drugs	7 14	17 59
(7) Miscellaneous	2 31	5 69
Total	40 58	100 00

In 1925-26, the Excise revenue amounted to Rs 42 61 lakhs, against Rs 23 19 lakhs during the year 1912-13. Thus in a period of 14 years the Excise revenue has nearly doubled. In 1925-26, the revenue from country spirit amounted to Rs 22 23 lakhs, against Rs 14 13 lakhs in 1912-13.

This Memorandum is concerned only with the first four items.

91 The liquor traffic in Sind was regulated by the Bombay Abkari Act, V of 1878, as amended by Bombay Acts, III of 1892, I of 1903, III of 1905, XII of 1912 and IV of 1925.

COUNTRY SPIRIT

92 Till the year 1909-10, the country spirit revenue in Sind was realized under a distillery system corresponding with the "Free supply system", under which manufacture is completely separated from vend and there is no monopoly of either. From 1st April 1910, this system was replaced by one of "Contract supply", such as is in force in the greater part of the Presidency proper (Paragraph 61). Under this system, the Province was divided into three contract areas, comprising (1) the district of Karachi, (2) the districts of Hyderabad, Nawabshah and Thar Parkar and (3) the Sukkur, Larkana and Upper Sind Frontier districts. Molasses and *mahua* spirits were to be supplied

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to the Karachi and Hyderabad districts and molasses spirit elsewhere. The contracts for each of these areas were given out for a period of one year only (1910-11) and were renewed for the following year (1911-12). In 1912-13 the contracts for areas (2) and (3) were merged into one. From 1st April 1910 to 31st March 1918, a separate contract was also given out for the supply of *mahua* liquor to the Karachi and Hyderabad districts, where alone such liquor was consumed. From the 1st February 1918, manufacture of country spirit in Sind ceased, pending the construction of an up-to-date distillery at Kotri, and supplies were obtained by importation from outside Sind. The Government distillery at Kotri re-opened on the 27th September 1922 and commenced manufacture in October 1922. The importation of country spirit from outside Sind then ceased. Sind has now one contract area under a five-year contract, held by the lessees of the Government distillery at Kotri. The contract has been extended up to the 31st March 1928.

93 *Arrangements of supply*—Country spirit for supply to Sind was manufactured at Kotri, and distributed from the Kotri distillery and bonded warehouses at Karachi, Kotri and Sukkur. The bases used were molasses (imported from Java) and *mhowra* up to 1925-26 and thereafter molasses only. At Kotri a patent still has been installed, with modern accessory plant, the cost in the first instance was borne by the contractors, but under the terms of the contract, Government will take over the plant, when the contract expires. The distillery and warehouse buildings were provided by Government, and rented to the contractors. Before the Kotri distillery commenced manufacture, spirit was being imported by Government from distilleries at Amritsar and Cawnpore, and distributed to retail licensed vendors through a distributing contractor. A steam-heated pot still was also installed at the Kotri distillery in 1925-26 for the manufacture of extra superior and superior (massala) liquor.

94 *Still-head duty, etc*—The following were the sanctioned strengths and rates of still-head duty in 1925-26 and 1926-27.

	Strength	Rates of duty
		Rs a p
Strong spirit	25° U P	8 0 0
Weak spirit	40° U P	6 4 0

In 1912-13, the rates of duty and the strengths at which both *mahua* and molasses spirits were issued, were as follows—

	Strength	Rates of duty
		Rs a p
Strong spirit	10° U P	5 0 0
Weak spirit	40° U P	3 4 0

95 *Retail Vend*—The retail vend licenses throughout Sind were auctioned for one year. Under the auction system a minimum selling price is fixed, but no maximum. The number of shops licensed for the retail sale of country spirit during the year under review was 112, compared with 115 in the preceding year and 249 in the year 1912-13.

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96 *Average taxation*—Of Rs 21 86 lakhs realized from country spirit in 1926-27, Rs 8 52 lakhs were derived from vend fees and the rest from still-head duty. The issues for consumption amounted to 109,384 proof gallons, bearing an average duty of Rs 12-3-2 per proof gallon, and a total taxation of Rs 19-15-9 per proof gallon. The total consumption of country spirit and the total taxation per proof gallon thereof, during the preceding year, compared with those in the year 1912-13, were as follows —

Year	Total consumption in L P gallons	Total taxation
		Rs a p
1912-13	228,204	6 3 1
1925-26	127,913	17 6 1

TODDY

97 Toddy was sold in the towns of Karachi (and its suburb Malir), Kotri, Hyderabad and Sukkur only. In the towns of Hyderabad and Sukkur shops were licensed for the first time from 1st January 1923. The quantity of toddy sold in 1926-27 was 18,149 gallons, against 16,561 gallons in the preceding year and 3,972 gallons in 1912-13, and the revenue realized was Rs 5,199, against Rs 10,350 in the preceding year and Rs 1,265 in 1912-13. Immigrants from the Presidency proper were the chief consumers. 9 shops were licensed for the retail vend of toddy, 7 in Karachi and 1 each at Hyderabad and Sukkur. In 1912-13, there were only 4 shops authorized to sell toddy, 3 in Karachi and 1 in Larkana. The supply depended upon the willingness of private owners of trees to allow them to be tapped for toddy. The increase in the consumption was due to a larger number of trees having been tapped during the year and to high selling prices of country spirit which diverted some Custom to this cheaper beverage. Supply arrangements were satisfactory. The tree-tax system was not in force. The contractors held the combined privileges of tapping and vend. Stocks at shops were usually exhausted on the day of their arrival, so that toddy was consumed in a comparatively fresh state. The palms tapped were situated at Malir, Jhimpir and Kotri in the Karachi district and in the Sukkur town. No State-owned trees were tapped.

INDIAN SPIRIT EXCISED AT TARIFF RATE

98 In 1926-27, 1,562 proof gallons of rectified spirit were manufactured at the Kotri distillery. In the preceding year, 957 proof gallons of this spirit were manufactured. Supplies of other kinds of spirit were obtained in small quantities from other provinces, and sold under the ordinary retail foreign liquor licenses.

There were no breweries in the province.

IMPORTED LIQUORS

99 The duty on foreign liquors, etc., imported by sea was credited to Customs. The Excise revenue on these liquors was realized from the fees for the right of vend only.

100 Ordinary vend licenses were of 3 classes, viz., wholesale, and retail 'OFF' and 'ON' licenses. Wholesale licenses were granted only in Karachi to firms doing a large business. These licenses permitted the sale of liquor in quantities of not less than two gallons at a time. The fees levied per annum were as follows —

	Minimum	Maximum
	Rs	Rs
License fee	1,000	Not fixed
Bottling fee	50	100
Compounding fee	250	500

In addition to the minimum fee of Rs. 1,000 a vend fee at the rate of Re 1-8-0, Rs. 2-0-0, Re 0-12-0 and Re 0-6-0 per dozen quart bottles of spirits (except rectified spirit), rectified spirit, wine and beer respectively, when the liquor was in bottles, and at the rate of rupee 1 per proof gallon of spirit and 0-6-0 and Re 0-3-0 per bulk gallon of wine and beer respectively, when the liquor was in wood, was levied at the time of clearance from the Custom House. Fees at these rates were also levied on corresponding Indian-made foreign liquors manufactured in the Bombay Presidency or imported from other parts of India.

Retail 'OFF' licenses permitting the sale of liquor in quantities of not less than half pint at a time and prohibiting consumption on the premises were granted in all districts at fees varying from Rs. 200 to Rs. 4,000 per annum.

Retail 'ON' licenses were granted only in towns and very sparingly. These licenses permitted the sale of liquor in any quantity for consumption on the premises.

Licenses for the sale of liquors in hotels and refreshment rooms were also granted at varying fees assessed on the basis of sales, subject to a minimum fee of Rs. 250 per annum in the case of hotels in Karachi and Rs. 100 in rest of Sind, the fees for refreshment rooms Karachi, Hyderabad and Sukkur varying from Rs. 400 to Rs. 7,000 and in the rest of Sind from Rs. 200 to Rs. 4,000. Licenses were also issued on payment of a fee of Rs. 24 for regiments and Rs. 12 for smaller units for the sale of foreign liquors at military canteens established under the "Canteen tenant system."

Licenses for the sale of malt liquor of Indian manufacture were granted in the towns of Karachi, Kotri, Hyderabad, Sukkur, Sukrapur and Rohri on payment of fees varying from Rs. 700 to Rs. 9,200 per annum.

In 1926-27 24 retail 'OFF' licenses for 1926-27 permanent refreshment rooms, 1 club, 10 canteens and 10 smaller units were issued. In 1927-28 24 retail licenses of similar kind were issued. By the year 1942-43 the licenses were disposed of

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by selection, and were, as a rule, renewed to the previous holders. The retail 'on' shops in the towns of Karachi and Hyderabad and beer shops in all the districts were disposed of by auction.

The minimum strength at which foreign spirit was permitted to be sold, was fixed at 35° U P for gin and 25° U P for other potable spirits. In 1912-13 the minimum strengths of spirit were the same. Spirits and liquors sold at a retail price of not less than Rs. 50 per gallon were exempt from the restriction as to minimum strength. For figures showing consumption of potable foreign liquor see statement II.

101. The following important changes (relating to liquors) were introduced during the year —

- (a) Amendment of the Bombay Abkari Act V of 1878 by the insertion of an explanatory clause to section 16 requiring clubs to take out licences for the supply of liquor to their members (Bombay Abkari Amendment Act IV of 1925)
- (b) The fixing of supply and issue rates of bottled superior and extra-superior flavoured country spirit manufactured at the Kotri distillery (G R R D No 6186-21, dated the 7th June 1926)
- (c) The framing of rules regulating the manufacture and sale of superior and extra superior flavoured country spirit at the Kotri distillery (Commissioner in Sind's Notification No 7286-E, dated 27th October 1926)
- (d) Continuance of the rationing system

102. *Excise crime* — The number of offences relating to liquor fell, the decrease occurring chiefly in cases of illicit possession, and being due to the introduction of *massala* liquor which appears to have partly taken the place of the illicit commodity.

The number of convictions for drunkenness in municipal areas fell from 50 in 1925-26 to 21 in the year under report. As in the previous year no conviction was recorded outside municipal areas.

There was marked increase in the number of offences relating to hemp drugs only. This was largely the result of the activity of the excise staff.

103. *Temperance movements* — Temperance bodies existed in most of the big towns of the province, but gave little signs of activity during the year. Schoolmasters continued to impress on their pupils the evils of the drink habit.

104. *Excise Advisory Committees* — The number of Excise Advisory Committees was increased from 7 to 39 during the year. Their constitution was improved and functions enlarged, *vide* G R R D No 4681/24, dated the 26th February 1926. The rules prescribing the procedure for the transaction of their business were also framed under G R R D No 4681/24, dated the 3rd January 1927. The total number of recommendations made by the Excise Advisory Committees was 24. Full effect was given to 6, 2 were partly accepted, 13 rejected and 3 were under consideration.

LOCATION OF SHOPS

105 The objections of residents to the opening of new liquor shops were invariably invited and received the fullest consideration. Proposals to open new shops were also referred to the local Excise Advisory Committees.

106 *Administrative Agency* —The collection of the Excise revenue was in the hands of the Collectors of districts under the control of the Commissioner in Sind. A combined establishment was maintained for the protection of the Excise and Salt revenues. The establishment was subject to the authority of the Commissioner in Sind under the control of the Superintendent of Salt and Excise, Sind, who was aided by three Deputy Superintendents. The Deputy Superintendents acted also as advisers in excise matters to the district Collectors.

107 *Incidence of total Excise revenue per head* —Calculated on the census of 1921, the average Excise revenue in Sind for the year 1926-27 was Re 1-3-10 per head of which about three-fifths was derived from liquors. In 1925-26, the incidence of Excise revenue per head of population amounted to Re 1-4-10, about two-thirds of which was derived from liquors. In 1912-13, the average Excise revenue per head was Re 0-10-6 of which about three-fifths was derived from liquors.

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CHAPTER IV—BENGAL PRESIDENCY

108 *Excise revenue*—The gross Excise revenue for 1926-27 was Rs 225 55 lakhs and was realised under the following main heads —

Heads	Revenue (in lakhs of rupees)	Percentage of total Excise revenue
(1) Country spirit	90 58	40 16
(2) Country fermented liquors (<i>tari</i> and <i>pach-wat</i>)	19 14	8 40
(3) Foreign liquors (including country beer)	14 21	6 30
(4) Opium and its preparations	48 15	21 35
(5) Hemp drugs	52 56	23 30
(6) Miscellaneous	91	40
Total	225 55	100 0

In the previous year, the total Excise revenue amounted to Rs 228 44 lakhs, and the revenue realised from country spirit was Rs 96 26 lakhs. The corresponding figures for the year 1912-13 were Rs 137 59 and Rs 64 10 lakhs, respectively (cf statements VII and VIII). The net revenue from Excise during the year 1926-27 shows an increase of 52·8 per cent on the corresponding figure for 1912-13 and a decrease of 6 per cent on that of the preceding year.

This Memorandum is concerned only with the first three items.

109 *Law regulating liquor traffic*—The Bengal Excise Act, V of 1909, as amended by the Bengal Excise (Amendment) Act, VII of 1914, and the revised statutory rules published in Government Notifications Nos 595-S R, 596-S R, and 601-S R, dated the 30th March 1915, as amended from time to time, were in force throughout the Presidency.

COUNTRY SPIRIT

110 *Definition*—The expression “Country spirit” in Bengal means plain unsophisticated spirit made from *mahua* and molasses and excised at special rates.

111 *System of supply*—In 1912-13 the contract supply system was in force in the Burdwan, Presidency and Rajshahi divisions, the Sadar distillery system in the Dacca division, and the outstill system in the Chittagong division. During that year 8·43 per cent of the whole area was under outstill system, and the percentage of population served by that system was 11·52 (see statement V). In 1925-26 and 1926-27 the rights of manufacture and supply of country spirit to retail dealers throughout the Presidency were owned by 3 private distillers in the Presidency working under the English method. The distillers were formerly required to supply country spirit to retail vendors at a

fixed price, determined by tender. As, however, the price of raw materials fluctuated considerably and the distillers were unable to tender at firm rates for any long periods, the Government of Bengal modified the system and directed that from the year 1921-22 the cost price of country spirit supplied to retailers should be fixed annually, on the consideration of the cost price of raw materials and the manufacturing charges. The system was modified from time to time, and the present method of calculation and fixation of the cost price of country spirit based on these two considerations was finally approved during the year under report and came into operation from the 1st July 1926.

The contracts with the distillers for the supply of country spirit in Bengal were renewed for a period of five years from the 1st July 1926.

Spirit manufactured at these distilleries is conveyed to and stored in warehouses built by Government, and situated at district or sub-divisional headquarters, or at other suitable centres within the supply areas. Each warehouse is in charge of a Government officer and is suitably guarded. The operations of storage, reduction, blend and issue in the warehouses are performed by the distillers' employees under the supervision of the Government officer in charge. The spirit is conveyed from the distilleries to the warehouses under bond, and duty is levied upon it as it is issued to the retail vendors from the warehouses.

In the whole of the Presidency, the strengths for the retail sale and the retail vend prices of country spirit are fixed. Dilution by retail vendors is prohibited. The distillers are not allowed to have any interest in the retail business.

112 *Strengths of issue and rates of duty*—The standard strengths at which spirit was issued to retail vendors from distilleries and warehouses varied during the years 1925-26 and 1926-27, in the province as a whole, from 25° to 75° under-proof.

The duty varied in these years from Rs 16-0-9 to Re 0-14-0 per Imperial gallon according to the strength, being highest in the districts of Calcutta, the 24-Parganas, Howrah and Hooghly, Dacca and Mymensingh, and lowest in certain tracts inhabited by aborigines in the Bankura and Midnapore districts in the Burdwan division and by hillmen and others in the Darjeeling and Jalpaiguri districts. In 1912-13 the standard strengths at which spirit was issued to retail vendors varied, taking the province as a whole, from 10° to 70° under proof, and the duty varied from Rs 5-10-0 to Re 0-13-4 per gallon, according to strength, being highest in Calcutta and lowest in certain backward tracts in the Burdwan division.

113 *Retail vend arrangements*—Licenses for the retail sale of country spirit in the whole of the Presidency were settled during the years 1925-26 and 1926-27 under the "Bengal licensing (fixed fee) system", under which the retail prices for consumers are fixed, and the monthly license fee for a shop is calculated on the monthly issues thereto according to a sliding scale, the rate of fee per L P gallon increasing with an increase in the total issues, thus securing a proper proportion of the monopoly value of each shop for the State. In 1912-13, the right of retail vend in distillery areas was disposed of by annual auction, separately for each shop, except in Calcutta where licenses were auctioned every two or three years.

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114 *Number of country spirit shops*—In 1926-27, the number of licenses (permanent and temporary) for the sale of country spirit was $938+7=945$, compared with 1,287 in 1912-13—a reduction of 26·57 per cent and $948+6=954$ in the previous year—a reduction of 94 per cent (*cf* statement IV). In 1912-13 there was one shop to every 35,340 inhabitants, whereas in 1926-27 there was one to every 49,597. The average population per shop thus increased by 40·3 per cent.

In 1912-13, the average area served by each shop was 61·15 sq miles, whereas in 1925-26 it was 75·63 sq miles. The average area per shop in 1926-27 was 76·44 sq miles—an increase of 25 per cent and 1·07 per cent on the figures of 1912-13 and 1925-26—respectively (*cf* statement III).

Imperial Return III of the Bengal Excise Administration Report for 1926-27 shows 3 “distillers’ licenses” under the head “wholesale licenses for the sale of country spirit.” These represent licenses granted to the distillers to cover disposal of their liquor at the distillery or a warehouse.

In 1912-13 there were such 29 “distillers’ licenses” for the manufacture and wholesale vend of country spirit.

115 *Consumption of, revenue from, and average taxation on country spirit*—Including receipts from distillery and vend license fees, the total country spirit revenue for 1926-27 in the Presidency was Rs 90·58 lakhs, whereas it amounted to Rs 64·10 lakhs (including Rs 83 lakh from outstill areas) in 1912-13 and Rs 96·26 lakhs in 1925-26 (see statement VII). The consumption of distillery liquor in 1926-27 was 627,962 proof gallons, against 851,534 proof gallons in 1912-13—a reduction of 26·25 per cent in consumption—and 632,351 proof gallons in the preceding year—a reduction of 69 per cent in consumption. The average taxation per proof gallon in 1926-27 amounted to Rs 14-6-10, of which Rs 12-14-10 was derived from duty and the balance Re 1-8-0 from vend fees, etc., whereas in 1912-13 the corresponding figures of total taxation, duty and vend fees were Rs 7-6-10, 4-7-10 and 2-15-0, respectively. The figures for 1925-26 were Rs 15-3-6, 13-10-6 and 1-9-0 (*cf* statement VI).

COUNTRY FERMENTED LIQUORS

116 *Tari*—*Tari* is the sap of the palm, and is used either when freshly drawn from the tree or after fermentation. Palmyra and date-palms are chiefly used for its production. There are no excise restrictions on manufacture and sale of fresh *tari*. The revenue from fermented *tari* is derived from shop license fees, and from a tree-tax in certain areas. In 1926-27, the tree-tax system continued in force in the Sadar and Serampore sub-divisions of the Hooghly district and the whole of the Howrah district. This system has been extended to Calcutta and the major portion of the district of the 24-Parganas as an experimental measure for three years with effect from the 1st April 1926.

117 *Tree-tax system*—The system consists of the levy of a tax on each tree tapped for the production of fermented *tari* in addition to a vend license fee for each shop which is settled by auction. The tree-tapping licenses were issued on the application of (1) licensed retail vendors, (2) of tappers and (3) of tree owners (for not more than three at a time up to a maximum of six for the whole year), and no *tari* could be drawn from the tree until the latter had been properly marked.

The rates of tax per tree were as follows :—

Date	.	..	..	.	Rs	2
Palm-tree	..	.	.	.	Rs	3
Coconut	.	..	.	..	Rs	3

118 *Revenue and licenses*—The total revenue derived from *tari* in 1926-27 was Rs 8 34 lakhs, compared with Rs 4 5 lakhs in 1912-13 and Rs 8 85 lakhs in 1925-26. In 1912-13 the number of licenses for the sale of fresh as well as fermented *tari* was 1,981. In 1926-27 the number of shops licensed for the retail sale of fermented *tari* only (restrictions on sale of un-fermented *tari* having been removed) was 537 against 853 in 1912-13—a reduction of 37 per cent., and 543 in 1925-26—a reduction of 1 1 per cent.

119 *Pachrai*—*Pachrai* otherwise called "*Pandia*" or "*marua*", is a fermented liquor brewed from rice or millet. It is drunk chiefly by aboriginal tribes in several districts and is used both as a stimulant and as a food. It is the favourite drink with the lower classes in the major portion of the Bardwan division, the western half of the district of Murshidabad and the districts of Jalpaiguri and Darjeeling. Except in Darjeeling where *pachrai* is chiefly made from millet, rice is the material employed for its production.

120 *Revenue licenses and consumption*.—The bulk of the revenue under this head is derived from licenses for manufacture and retail sale in the Burdwan and Presidency divisions. Outside the above two divisions, there were such licenses only in the districts of Chittagong and Darjeeling. The revenue from retail license fees and home-brew licenses amounted to Rs 10 79 lakhs compared with Rs 8 33 lakhs in 1912-13 and Rs 12 72 lakhs in 1925-26. The number of licenses issued for retail sale home-brew (annual) and manufacture of *pachrai* on special occasions was as follows :—

	1912-13	1925-26	1926-27
Retail sale	1,407	1,203	1,201
Home brew	25,923	34,365	52,993
Manufacture on special occasions	716	1,758	759
Total	28,046	37,826	54,953

The increase in the number of home-brew licenses in 1926-27, compared with that in 1925-26, is due mainly to the issue throughout the year of such licenses by the managers of the tea gardens in the district of Jalpaiguri. It was sanctioned by Government in order to check the extensive illicit brew of *pachrai* amongst the tea-garden coolies in the district.

The fixed-fee system of settling *pachrai* shops under which the monthly license fee is realised on a sliding scale based on the quantity of rice used in the manufacture, was in force in Burdwan, Birbhum, Bankura and Hooghly and partially in Midnapur and Darjeeling. The system of detailed and scientific control over the manufacture and sale of *pachrai* in licensed premises which was

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introduced in 1919 continued in force, and the principal administrative measures taken during the year under report related to further tightening up of the control over manufacture and sale of the article in licensed premises, and the introduction of a system of control of *bakhar*. These measures included (1) the fixation of a minimum strength of diluted *pachwai* sold in shops, (2) revision of the prescribed measures of dilution, and (3) proper arrangements for frequent tests of the strength of diluted *pachwai*, while *bakhar*, the fermenting agent used for manufacture of both licit and illicit *pachwai* and for the manufacture of illicit spirit in the Presidency, was brought under partial Excise control. These measures have effected considerable improvement in the quality of *pachwai* in all the districts where they have been introduced.

121 *Special concession to aboriginal tribes*.—Licenses permitting home-brew of *pachwai* for domestic consumption only were granted in the districts of 24-Parganas, Dacca, Mymensingh, Tippera, Chittagong, Rajshahi, Malda, Dinajpur, Pabna, Bogra, Rangpur, Jalpaiguri and Darjeeling in the Presidency. The rates of tax varied from Re 1 to Rs 2 per household per annum.

Besides such annual licenses, special permits were also granted to applicants for home-brew of *pachwai* on special occasions, e.g. marriages, etc., on payment of a tax of annas 8 per household on each occasion.

Free home-brew of *pachwai* for private consumption only was permitted to members of aboriginal tribes in a few districts during the annual *Bandhana* and *Pous Sankranti* festivals. It was also permitted to members of hill tribes in Darjeeling district up to a limited quantity. This privilege, previously in force in Jalpaiguri district, was withdrawn from there in course of the year 1925-26.

122 "*Wanchu*" (*A kind of fermented liquor prepared from rice*) —Licenses were granted to Chinese families in Calcutta, for the home-brewing of "*Wanchu*" on ceremonial occasions on a tax of Rs 2 per household on each occasion.

FOREIGN LIQUORS

123 *Definition of "foreign liquor"* —The term "foreign liquor" includes imported liquors of all kinds and certain Indian liquors specially classified as "foreign liquor". It also includes rectified spirit, denatured and perfumed spirits and spirits used in drugs, medicines and chemicals.

124 *Classification and amount of revenue* —The revenue of the Presidency from foreign liquors consists of the duty on Indian-made "foreign liquors" levied under the Bengal Excise Act and fees paid for the right of vend of both imported and Indian-made foreign liquors. The duty under the Tariff Act is credited to the Imperial Government (Customs). The duty on local manufactures is credited to the Provincial Government (Excise) and amounted in 1926-27 to Rs 10 88 lakhs, against Rs 2 38 lakhs in 1912-13 and Rs 12 16 lakhs in 1925-26. The total receipts from license fees of foreign liquors were Rs 3 32 lakhs, compared with Rs. 3 47 lakhs in 1912-13, and Rs. 3 09 lakhs in 1925-26.

125 *Vend arrangements* — The vend arrangements and the method of imposition and collection of tax on licenses for vend of potable foreign liquor were revised in April 1922. The main features are —

- (a) The abolition of the previous classifications of "wholesale", "combined" and "retail" foreign liquor licenses and the substitution in their place of a "license for sale to the trade" and a "license for sale to the public". Licenses for hotels, restaurants, cars and railway refreshment rooms are treated as "licenses for sale to the public".
- (b) All transactions between licensed dealers of foreign liquor either of Bengal or of any other province, have to be covered by a pass.
- (c) The license fee or license tax "for sale to the trade" is an annual fixed fee of Rs 200, payable in advance, and the tax for "sale to the public" is assessed every month at certain fixed rates on the quantity of liquor sold to the public in Bengal in the preceding month.

The rates are —

1 annas 12	per bulk gallon of brandy, whisky, gin and rum
2 annas 3	Per bulk gallon of beer, ale, and cider
3 annas 12	Per bulk gallon of liquors

The total number of licenses issued for the retail vend of potable foreign liquors (spirits and fermented liquors) was 638, against 663 in 1925-26, and 512 in 1912-13.

The minimum strength for sale of whisky, brandy and rum was 25° under proof, and of gin 35° under proof.

No compounding or blending of foreign liquors was permitted except in premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed vendors holding "trade" licenses on payment of fixed fees per annum. The bottling of liquors was also permitted only by such licensees under cover of a special license for which a fixed fee was charged.

For figures showing consumption of potable foreign liquors, see statement II.

126 *Revenue from foreign liquors of all sorts* — The total amount of fees realised in 1926-27 from foreign liquor licenses of all sorts was, as already stated in paragraph 124, Rs 3 32 lakhs, against Rs 3 09 lakhs in the preceding year and Rs 3 47 in 1912-13.

127 *Country rum* — Indian-made rum and rectified spirits were supplied from the distilleries at Russa and Bahir Mirzapur Road in Calcutta, and at Asansol and Konnagar. The total quantity of country rum and rectified spirits issued for potable purposes in the Presidency during the year was 25 771 proof gallons, of which 3,622 and 38 5 gallons were supplied from Shahjahanpur and the Dyer distillery, respectively, and the rest from the local distilleries against 33,545 proof gallons in the preceding year. In 1912-13 the total quantity of rum and rectified spirits issued in the Presidency was 18,720 L P gallons.

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128 *Cou dry beer* —Beer was brewed according to the English method in 1926-27 at the brewery at Sonada in Darjeeling. An annual fee of Rs 200 was charged for the license for manufacture and wholesale vend. A duty of Re 0-8-0 per gallon was levied on the beer manufactured. The revenue from this source in 1926-27, including duty and wholesale license fees, was only Rs 10,903 compared with Rs 12,778 in 1912-13 and Rs 12,093 in 1925-26. The total quantity of beer issued was 20,095 gallons against 65,109 gallons in 1912-13 and 22,936 gallons in the preceding year.

No special licenses were issued for the retail sale of beer.

129 *Denatured spirit* —The limit of retail sale and ordinary private possession of denatured spirit by private individuals was one Imperial gallon, and passes were required for import, export and transport in excess of this quantity. Possession in excess of one gallon was allowed only to persons licensed to sell such spirit or to use it for industrial purposes. The limit of possession by a retail licensee was 60 gallons. The fees for wholesale and retail vend licenses were Rs 50 and Rs 5 respectively per annum. No fee was charged for possession of such spirit in large quantities for industrial or scientific purposes.

The ordinary denaturants prescribed were mixture of light caoutchoucine and pyridine (manufactured from mineral sources) in the proportion of $\frac{1}{2}$ per cent of each. But in denaturing spirit required for use in industries for which the above denaturants were not suitable, other ingredients could be used with special sanction in each case and subject to suitable excise restrictions. The use of undenatured spirit in processes in which denaturation of any kind was disadvantageous to the product manufactured was also permitted, where necessary, subject to certain restrictions regarding control.

No case of dilution of denatured spirit by licensed vendors was reported during the year. Nor was there any case brought to notice indicating the use of denatured spirits as beverage during the year under review. License fees amounted to Rs 8,260, against Rs 4,406 in the preceding year and Rs 2,823 in 1912-13. The total quantity of denatured spirit passed out from the Calcutta Custom House and the Asansol distillery in Bengal was 394,250 gallons, compared with 227,043 gallons in 1912-13, and 341,515 gallons in the previous year.

130 *Perfumed spirit* —Perfumed spirit, when manufactured from duty-paid foreign liquor that had not been denatured, was exempt from the provisions of the Excise Act relating to possession or sale, provided it was used as a scent and not as an intoxicant. But the manufacture of such perfumed spirit required an Excise license which was granted free of charge.

131 *Rectified spirits* —Rectified spirit could be sold wholesale by holders of foreign liquor "trade" licenses without any separate license. Foreign liquor "public" licenses did not cover the sale of such spirit. The issue of such spirit from a distillery or warehouse was prohibited except to licensed chemists or druggists, persons specially permitted to obtain such spirit for medicinal, industrial or scientific purposes, or persons holding licenses for the compounding and blending of foreign liquor. Chemists or druggists were licensed to sell rectified spirit in retail quantities for medicinal, industrial or scientific purposes only. The fee for such licenses was Rs 50 per annum. Supplies of

locally manufactured rectified spirit, at a special rate of duty, were also allowed under special permits to respectable chemists and druggists for the manufacture of spirituous medicinal preparations 7,542 L P gallons of rectified spirit, 24 5 L P gallons of absolute alcohol and 119 8 L P gallons of rum were issued duty free for Government purposes, for scientific purposes to various institutions and for use in some hospitals In 1912-13, the quantity of rum and rectified spirit issued duty free was 15,132 L P gallons, and, in 1925-26, 14,594 proof gallons of rectified spirit were issued duty free

Besides the above duty free issues, 6,356 L. P. gallons of rectified spirit, 1,359 L P gallons of absolute alcohol and medicinal preparations containing 25,281 L P gallons of spirit were issued duty free to charitable hospitals and dispensaries in the various provinces, while medicinal preparations and tinctures, containing 60,460 L P gallons of spirit were sold by the various bonded manufactories, on payment of duty at Rs 5 per L P gallon.

MEDICATED WINES.

132 Medicated wines and similar preparations containing foreign liquor were subject to no excise restrictions prior to 1906 07 Since that year, however, such preparations containing alcohol equivalent to 20 per cent, but not more than 42 per cent of proof spirit, may be sold only by (a) foreign liquor licensees or (b) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries who have been specially approved by the Collector and hold a special license in that behalf If the preparations in question contain alcohol equivalent to more than 42 per cent of proof spirit, they may only be sold by foreign liquor licensees Preparations containing alcohol equivalent to less than 20 per cent proof spirit continue to be exempt from excise restrictions

SITES OF LIQUOR SHOPS.

133 Sites of liquor shops were carefully selected, in accordance with the procedure prescribed in sections 30 to 37 of the Bengal Excise Act, V, of 1909, as amended by the Bengal Excise (Amendment) Act, VII of 1914, and rules made thereunder, in consultation with the magisterial authorities, municipal and other local bodies, large employers of labour and local Excise Advisory Committees Due deference was paid to the views of these bodies and to the opinions of local residents

In Calcutta and Howrah cities, Licensing Boards constituted by the Government exercised the powers of regulation of the number and location of premises for the retail sale of intoxicating liquor and drugs, subject to the general control of the Government The Calcutta Board was presided over by a non-official gentleman and had a majority of non-official members During the year under review licensing Boards were constituted by the Government in the districts of the 24-Parganas, Dacca, Rangpur and Chittagong with a non-official majority in each These Boards were empowered to decide the number of licenses and the location of shops for the retail sale of excisable articles and opium

The following are the recommendations of the Local Excise Advisory Committees in the Presidency. The recommendations are approved by the Commissioners of Excise and Opium. The following are the recommendations of the Local Excise Advisory Committees in the Presidency. The recommendations are approved by the Commissioners of Excise and Opium.

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The above changes were effected from 1st April 1927

All the recommendations of the local Excise Advisory Committees in the Presidency were carefully considered and most of them were accepted. In accordance with their recommendations 6 country spirit, 3 tari, 11 pachwai and 6 opium shops were abolished, the sites of 16 country spirit, 7 tari, 13 pachwai, 1 opium, 1 ganja and 3 bhang shops were changed and 1 tari, 2 pachwai, 1 opium and 2 ganja shops were opened with effect from 1st April 1927.

135 Any important or new legislation or resolution—None of the local Excise Advisory Committees passed any resolution recommending total abolition of excise and opium shops in its jurisdiction.

A resolution was issued by the Government of Bengal, Agriculture and Industries Department (No 5568 Ex, dated 27th November 1926) restating their general excise policy and foreshadowing practical lines of advance towards securing more popular control on licensing questions.

136 Temperance movements—Reports of temperance movements during the year under review were received from the following districts as in the preceding year.

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(i) In Calcutta the various temperance organizations and specially the Calcutta Temperance Federation continued to take keen interest in the problem of temperance

(ii) In Chittagong —The temperance movement organised by the Mugh community at Cox's Bazar, Teknaf and Nilla continued during the year as before. The leading Mughs of Teknaf introduced a system of social boycott of people keeping *chandu* or opium smoking dens. The result was beneficial

(iii) Dinajpur —Some workers of the *shudhi* movement attempted to wean the original inhabitants from their addiction to drink

(iv) Jalpaiguri —The only temperance movement in the district was among the Christian Santal Colony at Samuktolla, where total prohibition is enforced in return for the advantages of residence within the colony

(v) Darjeeling —The local Christian missionary gentlemen and the local Temperance Association devoted their attention to the cause of temperance

It does not appear that there was any sustained temperance movement in any of the mofussal districts, though in individual centres, interest was shown in the problem by individual workers

ILLICIT TRAFFIC IN LIQUOR BETWEEN THE DISTRICT OF DARJEELING AND NEPAL

137 As a result of the Agreement of 1916, entered into between the Government of India and the Nepal Government, a two-mile zone was established on either side of the boundary between Nepal and the district of Darjeeling, from which all liquor, *ganja* and opium shops were removed and the hawking of any excisable article prohibited. Early in 1926, it was noticed that an extensive trade in the sale of liquor was openly carried on by several persons living on the Nepal side of the border at Simana. In June 1926, the Government of Nepal were requested through the British Envoy at Nepal, to take steps to prevent the illicit traffic in liquor within the agreed zone. The Nepal Government lent their full support in the matter and issued orders to the *Hakim* of Liam Gaunda to find out if there were any liquor shops within the two mile zone, and if so, to punish the offenders and remove their shops from the prohibited zone

CONVICTIONS

138 Including 196 cases pending in 1925-26, 5,992 cases were disposed of, of which 5,498 or 91·7 per cent ended in conviction. The total number of persons arrested during the year was 6,134 compared with 6,282 in the preceding year and 3,401 in 1912-13. The number of persons convicted was 5,546 against 5,889 in 1925-26 and 3,016 in 1912-13 (*Cf.* statement IX). Six hundred and sixty-six persons were arrested for "illicit distillation" and 392 for "possession or sale of illicit country spirit", as compared with 613 and 357 respectively in the previous year. There was not much noticeable fluctuation in the number of persons prosecuted for "illicit distillation" and "possession and sale of illicit country spirit" in any of the districts except an increase of 82 in Howrah and the suburbs of Calcutta and 71 in Bankura, and a decrease of 42 in Burdwan and 37 in Midnapur. In Howrah town and the suburbs of Calcutta the increase in detections was due to the vigilance of the detective staff. In Bankura it was due partly to the failure of last year's crops and partly to a vow temporarily

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taken by some Santhals in the western part of the district not to drink *pachwai* from the licensed shops. In Jalpaiguri, the introduction of weak liquor of 75° U P strength has checked, to some extent, the illicit distillation of liquor among the tea-garden coolies which used to be formerly very prevalent.

The arrests for "unlicensed sale of duty—paid country spirit" increased from 121 to 181. The increase occurred chiefly in Calcutta. The prosecutions for "illicit possession of duty—paid country spirit" fell from 76 to 26. Calcutta and Hooghly were responsible for the decrease.

The prosecutions in connection with "*tari*" offences fell from 1,531 to 659. The decrease occurred principally in the district of the 24-Parganas and was due to the disposal of 1,205 offences regarding *tari* under Section 65 of the Bengal Excise Act, instead of by prosecution in Courts. This crime is common amongst the *tari* drinking classes (especially the up-country people) of the Burdwan and Presidency divisions. The arrests for "illicit" manufacture, sale or possession of *pachwai* rose from 2,171 to 2,611. The increase was most marked in Midnapur (259) and Birbhum (111). On the other hand there was noticeable decrease in Burdwan (86) and Hooghly (70). This offence was committed by the aborigines and semi-aborigines in the Burdwan division and in the districts of 24-Parganas, Nadia and Dinajpur and by the hill men of Darjeeling. In Jalpaiguri this crime was checked to a large extent by the administrative measure of issuing home-brew *pachwai* licenses to the tea-garden coolies through the managers of tea-gardens at the rate of Re 1 per license.

ADMINISTRATIVE AGENCY

139 The Excise Department in Bengal was reorganised and amalgamated with the Bengal Salt (Preventive) Department in April 1915. During the year the Department was in charge of a Commissioner of Excise and Salt, and the staff included 2 Deputy Commissioners of Excise and Salt, one of whom was in charge of Calcutta as Collector of Excise, 24 Superintendents of Excise and Salt, 59 Inspectors of Excise and Salt, of whom six held charge of districts as Inspectors of Excise in charge and 263 Sub-Inspectors of Excise and Salt, besides petty officers and peons. The Superintendents of Excise and Salt and Inspectors of Excise and Salt in charge of districts were directly subordinate to the Collectors of the districts and carried on the Excise administration of the districts under their general supervision.

INCIDENCE OF EXCISE REVENUE PER HEAD

140 *Average total Excise Revenue*—Calculated on the population according to the census figures of 1921, the average total Excise revenue of the Bengal Presidency was 7 annas and 8 pies per head in 1926-27, of which more than a half was derived from "liquors". In 1912-13 the incidence of total Excise revenue per head of population was 4 annas and 10 pies, of which nearly three-fifths were derived from "liquors".

CHAPTER V—BURMA.

141 *Excise revenue*—The total Excise revenue for the year 1926-27 was Rs 134 46 lakhs made up as follows—

Heads	Receipts (in lakhs of rupees)	Percentage of total Excise receipts
(1) Country spirit	14 18	10 5
(2) Duty on locally produced spirit excised at the tariff rate	2 43	1 8
(3) <i>Tare</i>	14 34	10 7
(4) Other native fermented liquors	48 85	36 2
(5) Duty on locally brewed beer including license fees for the sale of such liquor exclusively	1 02	- 0 8
(6) License fees for the sale of imported liquors and of locally produced spirit excised at the tariff rate	9 03	6 7
(7) Opium and its preparations*	39 58	29 4
(8) Fines, confiscations and miscellaneous	5 21	3 8
(9) <i>Deduct</i> refunds	0 18	0 1
Total	134 46	100 0

* Excluding sale proceeds of confiscated opium to licensed vendors, but including cost price of opium at Rs 28 3 0 a seer, which is omitted from the figures for 1912-13

During the previous year, the total Excise revenue (excluding cost price of the opium sold) amounted to Rs 116 07 lakhs, and the revenue from liquors represented 60 5 per cent of the total Excise revenue. In 1912-13, the total Excise revenue was Rs 85 21 lakhs, and the revenue from liquors formed 50 4 per cent of the total Excise revenue.

This Memorandum is concerned only with the first six items

142 *Law regulating liquor traffic*—The liquor traffic in Burma was regulated by the Burma Excise Act, 1917. In Upper Burma, the sale of any intoxicating liquor other than *tari* to Burmans was prohibited. There was no such restriction in Lower Burma.

COUNTRY SPIRIT

141. *Meaning of the term "country spirit"*—The term "country spirit" referred to spirit manufactured at outstills and plain spirit manufactured at distilleries and it reached for sale to a licensed vendor of country spirit. In 1922-27 there were two outstilleries in the province. Spirit was collected from the outstilleries to areas which had been brought under the outstill system as well as to the areas which were outside that system. Issues to the former areas were taxed at rates varying from Rs 10-10-0 to Rs 11-1-0, and from Rs 2-8-0 to Rs 7 in 1912-13 per proof gallon and were classed as "country spirit", while those to the latter were taxed at the rate of Rs 17-8-0* per proof gallon, against Rs 9-6-0 in 1912-13 and were classed as "foreign spirit". In both cases the spirit was manufactured from jaggery or *tanyet* (refined palm oil).

Spirit manufactured in other parts of India and imported into Burma was taxed at the tariff rates and classed as "foreign spirit".

142. *Contract Distillery System—Its introduction and gradual extension*—In 1905, a contract distillery minimum guarantee system, on the lines of that formerly in force in Bombay, was introduced as an experimental measure in the Toungoo district and in parts of Mergui, Thaton and Tavoy. Under this system the three areas first named were supplied with uncoloured rum (classed as foreign spirit) from the distilleries at Toungoo and Moulmein, on payment of duty at Rs 6 per proof gallon (the then tariff rate), while in the fourth area (Tavoy) the plain spirit produced in new distilleries established at Tavoy was classed as country spirit, and taxed at the rate of Rs 4 per proof gallon. These arrangements were, however, not considered altogether satisfactory by the Government of India, and from the 1st November 1906, the Tavoy distillery was closed and the minimum guarantee system was replaced by the contract distillery system for the supply of spirit in areas in which the outstill system had formerly been in force.

The contract distillery system is modelled on the system in force in Madras (see paragraph 6) and was introduced in the first instance into parts of the Toungoo, Thaton, Amherst, Tavoy and Mergui districts. It has since been gradually extended to additional areas in these districts and also to parts of other districts. With effect from the 1st May 1910, it was brought into force in parts of the Akyab, Bhamo, Myitkyina, Katha and Ruby Mines districts, with effect from the 1st May 1912, in parts of the Rangoon Town and Bassein districts, with effect from the 1st May 1913, in parts of the Kyaukpadaung, Sandoway and Henzada districts, with effect from the 1st May 1915, in parts of the Myingmya district, with effect from the 1st May 1918, in parts of the Salween district, with effect from the 1st May 1920, in parts of the Mandalay district, with effect from the 3rd January 1921, in parts of Magwe district, with effect from the 1st May 1923, in parts of Insein district, and with effect from the 1st May 1925, in parts of Pegu and Maubin districts. In 1925-26 the system was thus in force in 21 districts. In 1926-27 there was no further extension of the system.

* For issue to troops and the military police a special rate of Rs 3-8-3 per proof gallon was fixed for distillery as well as non distillery areas. This rate was based on the average of the rates in force in distillery areas.

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145 *Distribution of supply contracts and rates of supply*—In 1926-27 contracts for the supply of spirit to the above-mentioned districts were distributed between the two working distilleries of the province as follows —

District	Distillery to which allotted	Period of contract	Rate of supply per proof gallon
			Rs A P.
Toungoo .. .	Mandalay distillery	Three years from 1st May 1924	2 8 0
Thaton .. .	Moulmein distillery	Do	2 2 0 and 2 4 0
Salween .. .	Do	Do	2 2 0
Amherst .. .	Do	Do	2 4 0 and 2 8 0
Tavoy .. .	Do	Do	2 4 0
Mergui .. .	Do	Do	2 4 0 and 2 8 0
Magwe .. .	Mandalay distillery	Three years from 1st May 1925	2 4 0
Mandalay . . .	Do	Do	2 0 0
Bhamo and Myitkyina	Do	Do	2 8 0
Katha .. .	Do	Do	3 0 0 and 3 8 0
Bassein and Myaungmya	Moulmein distillery	Do	2 0 0
Henzada .. .	Do	Do	2 0 0
Maubin .. .	Do	Do	2 0 0
Rangoon Town .. .	Mandalay distillery	Three years and 2 months from 1st May 1926	1 12 0
Insein .. .	Do	Do	1 12 0
Pegu .. .	Mandalay and Moulmein distilleries	Three years from 1st May 1925	2 2 0 and 1 12 0

District	Distillery to which allotted	Period of contract	Rates of supply per proof gallon
			Rs A P
Akhav	Moulmein distillery	Three years from 1st May 1924	2 8 0
Kyaukpada	Do	Do	2 8 0
Sandoway	Do	Do	3 4 0

146 *Distribution of spirit and its retail sale* Issue strengths and rates of duty—Twenty-two bonded warehouses of which ten are situated in the Tena-serim division, three in the Arakan division, three in the Irrawaddy division, one in the Rangoon Town, one in the Pegu division, four in the Sagaing division, have been constructed for the distribution of spirit and 196 shops were opened in 1926-27 for its retail sale. In 1925-26 the number of shops licensed to sell spirit by retail was 197, against 98 in 1912-13. The retail shops in 1926-27 were sold by auction. A fixed issue strength of 40° U P. was in force in Magwe district of the Magwe division, Rangoon Town and the Arakan, Pegu, Irrawaddy and Tena-serim divisions, and 30° U P and 50° U P in the Mandalay division and the Sagaing division, and as stated in paragraph 143 above, rates of duty were imposed equivalent to rates varying from Re 0-10-0 to Rs 14-1-0 per proof gallon.

147 *Number and character of local distilleries*—Both the distilleries referred to in paragraph 143 were licensed to work during the year 1926-27, one at Moulmein and the other at Mandalay. A Distillery Officer with a small guard was attached to each distillery and no spirit left the premises except under a pass signed by him. The distiller had to provide free quarters for this preventive establishment, and to pay a fee of Rs 50 for his license. He could be called upon to deposit a sum, not exceeding Rs 1,000 for the due fulfilment by him and his servants and agents of the provisions of the Excise Act and Rules thereunder and of the conditions of the license granted to him.

148 *Licenses for the vend of "foreign" spirit produced at local distilleries*—"Foreign" spirit manufactured at the above-mentioned distilleries was sold in shops licensed for the sale of foreign liquors generally, but special licenses for the retail sale of locally manufactured "foreign" spirit exclusively were granted by auction at places where there was a demand for such spirit. Wholesale licenses for the sale of such spirit were also issued at a fixed fee of Rs 50 per annum. In 1926-27, 84 wholesale and 99 retail licenses for all classes of foreign liquor were issued, and the receipts therefrom amounted to Rs 8 85 lakhs. In 1912-13, 9 wholesale and 16 retail licenses were issued and the receipts therefrom amounted to Rs. 23 lakh.

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149 *Issues receipts and average taxation in distillery areas*—The total issues of spirit from the local distilleries in 1926-27 amounted to 141,156 proof gallons, of which 113,472 gallons were issued on payment of duty at country spirit rates, 10,788 gallons on payment of duty at the tariff rate, 15,070 gallons on payment of the special rate of duty fixed for issues to troops and the military police, and 202 gallons free of duty. One thousand six hundred and twenty-four gallons of rectified spirit also were issued to a firm of manufacturing chemists at a duty rate of Rs 5 per L P gallon for the manufacture of medicinal preparations. The total realisations from duty on these issues were Rs 9 78 lakhs of which Rs 7 35 lakhs represent duty on issues at "country spirit" rates. In the preceding year, the total issues of spirit from the local distilleries were 131,320 proof gallons, against 82,441 proof gallons in 1912-13. The total receipts from duty on these issues were Rs 9 25 lakhs in 1925-26 and Rs 1 09 lakhs in the year 1912-13. The license fees realised in distillery areas in 1926-27 for the sale of spirit excised at "country spirit" rate was 6 73 lakhs. The average taxation thereon was Rs 11-11-1 per proof gallon of which Rs 6-11-10 were realised from duty and Rs 4-12-3 from vend fees. The average taxation per proof gallon in distillery areas during the previous year amounted to Rs 7-0 8 (duty) and Rs 4-11-10 (vend fees) or Rs 11-12-6 in all, compared with Rs 4-4-0 (duty) and Re 1-14-8 (vend fees) during the year 1912-13.

The average consumption of country spirit per 100 of the population in 1912-13, 1925-26 and 1926-27 was 47, 82 and 86 proof gallon, respectively. See Statement I.

OUTSTILL SPIRIT

150 The manufacture and sale of spirit under the outstill system was permitted only in remote places where there was an ascertained demand for such liquor, and where the shops could be constantly supervised by a magistrate or by an officer in charge of a police-station or of a police outpost. The capacity of each still and the number of days in a week or month during which distillation was allowed, were fixed by the Collector or other officer disposing of the licence. Spirit was distilled from cane-sugar, jaggery, *tanyet* (unrefined palm sugar) or rice. The privilege of manufacture and sale during 1926-27 was sold by auction.

151 *Number of outstills and shops and receipts therefrom*—In 1926-27, there were four outstills at work in Burma, one in the Pegu division, and three in the Tenasserim division. Each license for the distillation of outstill spirit carried with it the privilege of retail sale of such spirit at the actual place of distillation. In 1912-13, there were twenty-three outstills at work in Burma, twenty in the Arakan division, three in the Pegu division, nine in the Tenasserim division and one in the Mandalay division. For the percentage of area under retail sale covered by the outstill system during the years 1912-13, 1925-26 and 1926-27, please see Statement V. The hill tribes residing in certain areas of the Tenasserim division were exempt from some of the provisions of the law relating to outstill spirit.

The receipts from outstills in the year 1926-27 amounted to Rs 10 lakhs 11 11-10, as against Rs 1 09 lakhs in the year 1912-13.

TARI

152 Licenses for the retail vend of fermented *tari* were, as a rule, sold annually by auction, but they could also be sold for a term of years not exceeding five. The number of shops licensed in 1926-27 was 491 and the fees realised therefrom amounted to Rs 11 31 lakhs.

In 1925-26 the number of shops licensed for the retail vend of fermented *tari* was 198, against 712 in 1912-13, and the fees therefrom amounted to Rs 11 73 lakhs against Rs 7 21 lakhs in 1912-13.

INDIAN FERMENTED LIQUORS OTHER THAN TARI

153 Under this description are included *hlawza*, *kaung*, *kazawye*, *seye* and *semye*. These were manufactured from rice, fermentation being procured by the use of yeast, molasses, or other ferment.

The hill tribes within the Salween district and the Hill district of Arakan and Chins, Karens and Kachins inhabiting certain tracts in Upper Burma, were exempt from the provisions of the Excise Act relating to the manufacture of country fermented liquor. These people habitually manufacture such liquor from rice for domestic purposes on festive occasions, and the liquor is not generally sold to outsiders. Elsewhere vend licenses were disposed of by auction. The licenses included the right of manufacture, as well as that of sale at the place of manufacture.

The number of licenses issued in 1926-27 was 319 against 315 in the preceding year and 386 in the year 1912-13, and the fees realised therefrom amounted to Rs 18 85 lakhs, against Rs 38 24 lakhs in 1925-26 and Rs 19 28 lakhs in the year 1912-13.

LOCALLY MANUFACTURED MALT LIQUOR

154 Licenses to construct, work and possess a brewery after the English method were granted with the sanction of the Local Government. There was only one such brewery in Burma in 1926-27—that of Messrs Dyer Meakin & Co at Mandalay. A fee of Rs 100 was charged for the brewery license and an additional fee of Rs 100 for the right of wholesale vend to shopkeepers. A duty of Re 0-8-0 per gallon was charged on the liquor manufactured in the brewery on a calculation of 54 gallons per hogshead. The quantity of beer issued in 1926-27 amounted to 170,125 gallons against 181,976 gallons in the preceding year and 241,449 gallons in the year 1912-13 and the duty realised during these years was Rs 83 lakh, 87 lakh and 45 lakh, respectively.

155 *Vend*—Retail licenses for the sale of locally manufactured malt liquor exclusively were granted, either by auction or at fixed fees varying from Rs 300 to Rs 1,000. Such liquor could also be sold under general foreign liquor licenses. Wholesale licenses for the sale of malt liquor, like those for similar sale of locally distilled spirit, were issued at a fixed fee of Rs 100 per annum. Thirty-five retail and two wholesale licenses were issued in 1926-27 and the fees realised therefrom amounted to Rs 19 lakh. These are the same figures as for 1925-26. In 1912-13 twenty-four retail and nine wholesale licenses were issued, and the fees realised therefrom amounted to Rs 21 lakh.

IMPORTED LIQUORS

156 The Excise revenue on these was derived, as elsewhere, only from fees for the right of vend Licenses of the following kinds for the sale of imported liquors were granted on payment of the fixed fees specified against each —

	Lower Burma Rs per annum.	Upper Burma Rs per annum
(1) Wholesale license	750*	250
(2) General shopkeeper's license for consumption off the premise.	1,000†	500†
(3) Hotel license	100‡	100
(4) Bar and refreshment room license	500§	500
(5) Proprietary club license	250	250
(6) Railway refreshment room license	100‡	100
(7) Steamer license—		
(a) Inland	50	50
(b) Interport		
(8) Dining car license	Rs 25 to Rs 100 as was fixed by the Commissioner of the division in each case.	

Retail licenses for the general sale of both imported and locally produced spirit and fermented liquors were sold by auction in 1926-27 In that year 84 wholesale and 144 retail licenses were issued for the sale of such liquors. In the year 1912-13 the corresponding figures were 51 wholesale and 172 retail and in 1925-26, 97 wholesale and 142 retail

The license fees realised for the sale of foreign liquors of all kinds amounted to Rs 8 85 lakhs in the year under report, compared with Rs 8 00 lakhs in the preceding year and Rs 9 77 lakhs in the year 1912-13

DENATURED SPIRIT

157 Licenses for the vend of denatured spirit fell from 202 in 1925-26 to 190 in 1926-27, but rose by 101 since the year 1912-13 During the year under report, 19,806 gallons were imported in their denatured state and 54,076 gallons

* In Rangoon Rs. 1,000 was fixed.

† In Rangoon Rs 4,000, in Mandalay Rs 1,000 and in Yenangyaung Rs. 2,000 was fixed.

‡ In Rangoon Rs 500 was fixed.

§ In Rangoon Rs 1,500 was fixed

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of rum were denatured in bond after importation. During that year no case in which an attempt might have been made to use methylated spirit for human consumption was brought to notice.

RECTIFIED SPIRIT AND MEDICATED WINES

158 The number of licenses issued for the vend of rectified spirits and medicated wines was 92 both in 1926-27 and in 1925-26. Licenses were issued, in a few cases, to general dealers who were not pharmacists, the previous restrictions confining sale to pharmacists having been removed by Excise Department Notification No 94, dated the 18th August 1924.

GENERAL

159 It is provided in the Excise Act that in prosecutions under certain sections it may be presumed, until the contrary is proved, that the accused person has committed an offence under the section under which he is charged in respect of—

- (a) any excisable article or any apparatus for administering any intoxicating drug, or for the manufacture of any excisable article, or
- (b) any materials which have undergone any process towards the manufacture of an excisable article, or from which an excisable article has been manufactured,

for the possession of which he is unable to account satisfactorily.

Under section 16 (1) of the Act the Local Government may, by notification, prescribe a limit of quantity for possession of any excisable article. Further, no person shall have in his possession any quantity of any excisable article in excess of the limit prescribed under sub-section (1), except under the authority and in accordance with the terms and conditions of—

- (a) a license for the manufacture, cultivation, collection, sale or supply of such article, or
- (b) a permit granted by the Collector in that behalf. In exercise of the powers conferred by this section, the Local Government by Notification No 77, dated the 18th September 1917 (reproduced at page 35 of the Burma Excise Manual) has prescribed the quantity entered in column 2 of the following table against each excisable article entered in column 1 as the limit, in excess of which no person shall possess such excisable article, save as provided by sub-section (2) of section 16 —

(1)	(2)
Country alcoholic liquor other than spirit Spirit included within the definition of country alcoholic liquor.	Four reputed quart bottles One reputed quart bottle
Foreign alcoholic liquor	Two imperial gallons or 1 reputed quart bottle

In Prome and Tharrawaddy districts, the limit of possession for country fermented liquor other than *tari* was one reputed quart bottle.

But under section 17 of the Act no person could have in his possession any quantity of any excisable article knowing the same to have been unlawfully imported, transported, manufactured, cultivated or collected, or knowing the prescribed duty not to have been paid thereon

If, therefore, any person had in his possession less than the quantity allowed by the notification referred to, of any excisable article which he knew to have been unlawfully imported, transported, manufactured, cultivated, or collected, or not to have had the prescribed duty paid thereon, he committed or abetted the commission of an offence punishable under either section 30 or section 37 of the Act, and under section 44 the burden of proof was imposed on him of accounting satisfactorily for his possession of any quantity of such excisable article

160 *Changes introduced or under consideration, and important debates in the Legislative Council on Excise matters* —(1) The Excise Rules relating to the Local Advisory Committees were revised during the year 1925-26 so as to provide that recommendations of Committees regarding the maximum and minimum number of licenses shall not be overruled without reference to the Local Government

(2) The rate of excise duty on foreign liquor manufactured in or imported into Burma was reduced to Rs 17-8-0 per L P gallon with effect from 1st May 1926 in order to enable such spirit to compete with cheap foreign liquors, such as Java rum and French brandy

(3) In February 1927, the following resolution was moved in the Legislative Council —

“ That this Council recommends to His Excellency the Governor in Council to appoint a Committee, consisting of non-official elected members of the Council and other persons representing the different religious communities and the Temperance Association of this Province, to enquire and report on the drink and drug traffic in Burma in all its aspects, including total prohibition ”

The resolution was put to the House and lost, 27 voting *for* and 30 *against* the resolution

161 *Convictions and offences in connection with alcoholic liquor and important seizures* —In 1926-27 arrests rose by 402 to 11,382 and the percentage of convictions to arrests rose by 1 per cent to 81 In 1912-13 the total arrests for all offences (against Excise and Opium laws) and the number of convictions amounted to 10,916 and 8,866, respectively The percentage of convictions to arrests during 1912-13 was 81 In Rangoon the number of gallons seized fell from 1,665 to 1,007 but the number of persons convicted rose from 294 to 318 Most of the offences were in respect of illicitly manufactured *hlarwa* illicitly sold or oftener, held in excess quantities Convictions for drunkenness in urban areas fell from 1,668 in 1925-26 to 1,513 in 1926-27 In Rangoon convictions for drunkenness fell from 476 to 423 and in Mandalay from 96 to 33

LOCATION OF SHOPS

162 The position of each town or village shop was determined by the local officers and was fixed, as far as possible, at the time of the sale of the licenses

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In non-municipal areas, a notice inviting objections to a new shop had to be published before the shop was established, and if such were made, they had, if not accepted, to be referred to the Divisional Commissioner. In Burma all municipal and town committees were constituted Excise Advisory Committees, and such Committees framed proposals, on which orders were passed by the Excise Commissioner as to the maximum and minimum number of licenses to be issued within the municipality. If the Excise Commissioner was not prepared to accept the recommendations of the committee the matter had to be referred to the Local Government for orders. These committees also examined the location of existing and proposed shops.

ACHIEVEMENTS OF THE EXCISE ADVISORY COMMITTEES AND THE TEMPERANCE MOVEMENTS

163 The three years' programmes for the maximum and minimum number of licenses of each kind to be issued within municipalities and towns were prepared for the three years beginning with 1925-26. The recommendations of 52 committees were accepted and the recommendations of 15 committees were rejected.

ADMINISTRATIVE AGENCY

164 The Excise revenue was formerly under the direct control of the Financial Commissioner, but the appointment of a Commissioner of Excise was sanctioned in 1905-06. The local administration rested with the District Officers under the supervision of Divisional Commissioners, and in most districts there was an officer subordinate to the Deputy Commissioner in special charge of excise matters, who was designated Superintendent of Excise. In addition to the distillery establishments there was a large special preventive staff, employed mainly for the purpose of dealing with smuggling and other illicit practices in connection with opium, etc. To supervise this staff there was a central controlling officer, who was designated Chief Superintendent of Excise.

INCIDENCE OF EXCISE REVENUE PER HEAD

165 Calculated on the census returns of 1921, the average total Excise revenue per head of the population in 1926-27 was Re 1-2-5, of which nearly two-thirds were derived from liquors. The incidence of total Excise revenue per head of the population during the preceding year amounted to Re 1-1-1 against Re 0-13-3 in 1912-13. In 1912-13 the receipts from liquor represented about 50 per cent of the total Excise revenue.

CHAPTER VI —BIHAR AND ORISSA

166 *Excise revenue* —The gross Excise revenue for 1926-27 was Rs 197 98 lakhs, and was realized under the main heads —

Heads	Revenue (in lakhs of rupees)	Percentage of total Excise revenue
(1) Country spirit	91 54	46 7
(2) Country fermented liquors (<i>tari</i> and <i>pakawai</i>)	25 10	12 6
(3) Foreign liquor	71	3
(4) Opium and its preparations	34 94	17 5
(5) Hemp drugs	45 01	22 6
(6) Miscellaneous	68	3
Total	197 98	100 0

In 1925-26, the gross Excise revenue amounted to Rs 197 37 lakhs, and the receipts from liquors bore a percentage of 61 10 to it. In 1912-13 the gross Excise revenue was Rs 104 01 lakhs, and the revenue from liquors represented about 66 per cent of this revenue.

In 1925-26, the revenue from country spirit and its percentage to the total Excise revenue were Rs 95 88 lakhs and 48 5, respectively, against Rs 54 07 lakhs and 52 0, respectively, in 1912-13.

This Memorandum is concerned only with the first three items.

167 *Law regulating liquor traffic* —The liquor traffic in Bihar and Orissa was regulated by Bihar and Orissa Excise Act, II of 1915.

COUNTRY SPIRIT

168 *Definition of "country spirit"* —In Bihar and Orissa the expression "country spirit" means plain spirit which has been made in British India from materials locally recognized as bases for country spirit, namely *mahua*, rice, *gur* or molasses, and on which duty has not been imposed at the rate fixed for the importation of spirit into British India.

169 *System under which country spirit revenue was realized* —The manufacture and sale of country spirit were carried on under two systems, namely, the

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outstill system and the contract supply system The revenue contributed by each system in the years 1912-13, 1925-26 and 1926-27 is shown below —

(In lakhs of rupees)

	1912-13	1925 26	1926 27
From outstills . . .	16 11	15 01	12 91
Under contract supply system	37 96	80 87	78 63

170 *Description and extent of the outstill system*—Under the outstill system a single license covers the manufacture (by primitive Indian methods) and sale of country spirit, the produce of a single still, at a fixed place. The localities where such manufacture and sale are to be allowed are determined beforehand. Under section 11 of the Bihar and Orissa Act, II of 1915, the transport of outstill liquor into areas where distillery liquor is sold, has been prohibited and any attempt to bring outstill liquor into these areas is punishable under section 47 of the Act. No outstill is allowed within five miles of a distillery area.

The right of working the still and selling its outturn (the "license") was auctioned in 1926-27 by the revenue officer, subject to a reserved fee calculated on the estimated local demand on, and outturn of the shop and on the license fees of the preceding year. The Collector could, however, in order to prevent monopoly or combination or for other sufficient cause, refuse to accept the highest or any other bid. No attempt is made under the outstill system to supervise the processes of distillation or to control sale prices, or to regulate taxation on liquor according to its strength or the quantity consumed, except in a very indirect manner. The capacity of the still to be worked in any outstill is defined in the license for that outstill, and this serves to fix to some extent, a maximum quantity to be manufactured, an increase in the still capacity can be sanctioned for adequate reasons by the Collector. The license does not confer a monopoly of sale over any definite area, but that result is practically attained by the fact that shops are licensed at suitable distances from one another, the general rule being that no two outstills shall be within five miles of each other.

This system, though open to many obvious objections, has been found necessary in thinly populated, jungly, or comparatively inaccessible tracts, which cannot be supplied properly by distilleries or warehouses under the contract system, and in those parts of the country where special facilities exist for illicit distillation from *mahua* or for smuggling cheap liquor from foreign territory. In 1912-13 the areas under the outstill system were Palamau and Singhbhum and the major portions of Hazaribagh and Ranchi in the Chota Nagpur division, Angul and part of Sambalpur in the Orissa division, the Rhotas plateau (with a small tract adjoining it) in the Shahabad district of the Patna division, and the district of Champaran (except a small area in the Bettiah sub-division) and the Sitamarhi sub-division of Muzaffarpur in the Tirhut division. With increased facilities for communication, a steady programme for

the conversion of the greater part of the outstill area in the province into distillery areas has been gradually carried into effect

The areas remaining under the outstill system in 1926-27 were the whole of the Palamau and Angul districts, the major portion of the Singhbhum districts and small portions in the districts of Shahabad, Hazaribagh and Ranchi. For the area under, the population served by, and the revenue realised from the outstill system during the years 1912-13, 1925-26 and 1926-27, see statements V and VII

171 *Contract supply system* —In the rest of the province, except the Khondmals sub-division of the Angul district and the greater portions of the Kolhan estate in the Singhbhum district, where no country spirit is allowed to be manufactured, the contract supply system was in force. Under this system the monopoly of the supply of country spirit within a specified area or areas is granted under a contract, the contractor supplying the spirit, from specified places at prescribed rates of excise duty and wholesale prices, to licensed retail vendors only. The monopolies of supply were granted and the wholesale prices (usually described as "cost price") were fixed, after examination of tenders invited for the purpose, usually every 3 years.

172 *Manufacture and supply of country spirit under the above system* —The manufacture of spirit in contract supply areas was carried on in private distilleries, which could be situated either within or outside the province. Every distillery in the province was under the supervision of an Excise officer with a small establishment as guard. With effect from the 1st April 1916, the distillers have been exempted from paying the costs of establishments maintained at the distilleries while, on the other hand, they have to pay rent instead of only charges for repairs for buildings owned by the Government. They are also required to provide residential quarters for the distillery and the warehouse staff.

There were five distilleries at work in 1926-27, all owned and worked by private licensees. In 1912-13, there were 11 distilleries at work, four owned by private persons and seven in Government premises. In 1926-27, spirit manufactured at these distilleries, with the exception of small quantities exported to the United Provinces, was wholly consumed within the province.

Spirit manufactured at the distilleries was conveyed to and stored in warehouses, built either by Government or by the distilling contractors, and situated at suitable places within the supply areas, warehouses were also attached to two distilleries. The spirit was conveyed under bond, and duty was levied on it only when it left the warehouse on the requisition of a retail vendor. Each warehouse was in charge of a Government officer, who supervised all operations in the warehouse.

The number of bonded warehouses in the province in 1926-27 was 91, all of which were fed by the distilleries in Bihar and Orissa mentioned above. These warehouses were covered by 26 "wholesale licenses for the sale of country spirit", shown in column 6 of Imperial Table No. III in the Provincial Excise Administration Report for 1926-27. The licenses in question were held by the distillers in all cases. In 1912-13, there were 85 bonded warehouses in the

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Province, out of which 26 were fed by a distillery situated outside the province. These 85 warehouses were covered by 26 wholesale licenses for the sale of country spirit to retail vendors.

Within the contract areas the strengths at which country spirit could be sold retail were fixed, maximum prices above which spirit could not be sold were also prescribed, except for certain town and rural areas where the retail prices were fixed under the sliding scale system. Dilution in shops was prohibited, except when specially permitted by the Commissioner of Excise, such permission was granted only for the reduction of particular strengths to specified weaker strengths. Contractors for wholesale supply were not allowed to hold any retail country spirit shops within the areas of their contracts or within seven miles thereof.

173 *Strengths of issue and rates of duty in force*—The standard strengths at which spirit was issued from distilleries and warehouses, and at which it could be sold by retail vendors to the public, ranged in 1926-27 from 25° to 86° 3' under proof. In 1912-13, the standard strengths at which spirit could be retailled ranged from 25° to 85° U P. Calculated in terms of proof, the duty varied from annas 10 to Rs 10-0-0 per gallon in 1926-27, the same as in the preceding year, and Re 1-9-0 to Rs 3-2-0 per gallon (except in a small area where it was Rs 3-12-0 per L P gallon) in the year 1912-13.

174 *Retail vend arrangements*—In certain distillery areas the right of retail vend was disposed of by separate shops, each of which was put up to auction, subject to reserved fees calculated on the basis of the average monthly sale and the margin for gross profit, left after meeting from the maximum retail price prescribed, the aggregate of duty, cost price and reasonable shop expenses. The Collector tried to settle the shops at fees at which it was possible to work them without loss. In a considerable portion of the distillery areas, licenses were settled without auction at fees fixed automatically in accordance with a sliding scale sanctioned by the Commissioner of Excise. Under this system license fees are fixed on the basis of consumption, after deducting the amount of duty, cost price and shop expenses, as well as a fair margin of profit to the vendors. The retail vendors were bound to procure their spirit from a warehouse maintained by the wholesale contractor for the area. Issues to retail vendors in quantities of less than a gallon at a time were not permitted. The number of shops licensed to sell by retail country spirit in distillery areas was 1,427 in 1926-27, against 1,417 in 1925-26 and 1,512 in 1912-13. For the number of licenses for retail sale of country spirit in contract and outstill areas, see Statement III.

175 *Consumption and average taxation*.—The country spirit revenue for 1926-27 in distillery areas was Rs 78 63 lakhs, of which Rs 52 19 lakhs were contributed by duty, and Rs 26 44 lakhs by vend fees. In 1925-26, the total revenue from country spirit in distillery areas amounted to Rs 80 87 lakhs, against Rs 37 96 lakhs in 1912-13. The consumption of distillery liquor during the year under review amounted to 1,064,352 proof gallons, against 1,124,009 proof gallons in the preceding year and 1,157,636 proof gallons in 1912-13. The average consumption of country spirit per 100 of population in 1926-27 in the distillery area was 3 33 proof gallons, against 3 53 proof gallons in 1925-26 and 3 36 proof gallons in 1912-13. The average taxation per proof gallon in

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1926-27 was Rs 7-6-2 (of which Rs 4-14-6 were derived from duty and Rs 2-7-8 from vend fees), compared with Rs 7-3-0 (Rs 5-0-8 from duty and Rs 2-2-4 from vend fees) in 1925-26 and Rs 3-4-6 (Rs 1-15-8 from duty and Rs 1-4-10 from vend fees) in 1912-13

COUNTRY FERMENTED LIQUORS

176 *Tari*—*Tari* is the sap of the palm tree, and is used either freshly drawn from the tree or after fermentation. Palmyra and date are the principal varieties of palm from which *tari* is drawn. Licenses to sell fresh *tari* were issued in 1926-27 on payment of a fixed fee not exceeding Rs 5 per license, for the season. The revenue from fermented *tari* was derived from shop licenses, which were settled by auction. Of the total revenue of Rs 21 34 lakhs derived from *tari* in 1926-27, a sum of Rs 55 only was derived from fresh *tari*, and Rs 3,999 from rent of *tari* trees, either owned by the Government or over which the Government had the right of taxation, the balance was realized from licenses for the sale of fermented *tari*. In 1925-26, the total revenue derived from *tari* amounted to Rs 20 19 lakhs, against Rs 12 66 lakhs in the year 1912-13.

177 *Pachwai*—*Pachwai*, otherwise called "*handia*" is a fermented liquor brewed generally from rice, *mahua* or other grain. It is drunk chiefly by aboriginal tribes, and is valued both as a stimulant and as a food. It is a favourite drink in the Chota Nagpur division and the Santhal Parganas and with aboriginal tribes in parts of Champaran, Bhagalpur, Purnea and Sambalpur.

The bulk* of the revenue under this head was derived from licenses for manufacture and retail sale, which were disposed of by auction, the number and sites of the shops being previously fixed. In 1926-27 retail shops were confined to the districts of Darbhanga, the Santhal Parganas, Balasore, Puri, Sambalpur, Ranchi, Manbhum and Singhbhum, and their number was 348, against 336 in the preceding year and 355 in 1912-13. These licenses do not include the number of home-brewing licenses.

178 *Special concessions in backward areas*—Free home-brewing of *pachwai* for home consumption was permitted at all seasons of the year and without any restriction of quantity in the Santhal Parganas and to aboriginal tribes only in the districts of Hazaribagh, Ranchi, Palamau, Manbhum and Singhbhum (except the Jamshedpur area) and also in the Banka sub-division of the Bhagalpur district. Home-brewing for domestic consumption without license was prohibited in the remaining districts of the Province.

In the districts of Bhagalpur, Purnea and Sambalpur the home-brewing of *pachwai* for domestic consumption only was allowed under cover of annual licenses granted to house-holders and subject to maximum limits of possession, the limits were, in Bhagalpur and Purnea 4 seers undiluted or 12 seers diluted, and in Sambalpur 8 seers undiluted or 20 seers diluted. In Champaran home-brewing without limit for domestic consumption only was allowed under license granted to a village. The Collectors of Bhagalpur and Purnea were authorised to allow license holders to brew without limit during certain days to be prescribed by the Collectors in areas in which they were convinced that it was required on account of the Bandhana festival.

*Rs 3 74 lakhs out of Rs 3 76 lakhs

179 *On special occasions.*—Special licenses could also be issued to any person on payment of a fee of annas 8, on occasions such as marriage, festivals, etc., for the manufacture of *pachuar* for domestic consumption up to such limit as the officers granting the license considered reasonable. No limit was fixed in the district of Champaran. The officers empowered to grant such licenses were the Collector, Excise Superintendent, Sub-divisional Officer or other officer empowered by the Collector. The license conferred no right to sell or barter any portion of the liquor covered by it.

The officers mentioned above could also, on special occasions, grant temporary permits for the possession of more than 4 seers of diluted *pachuar* (more than 8 seers of undiluted or half a maund of diluted *pachuar* in the district of Sambalpur) up to such limit as they considered reasonable, to be purchased from a licensed vendor. These permits also conferred no right to sell or barter any portion of the liquor covered by them.

FOREIGN LIQUORS.

180 *Definition of "foreign liquor"*—The expression "foreign liquor" has been defined to include imported liquor of all sorts, country beer and other liquors manufactured in India which are sophisticated or compounded so as to resemble in colour or flavour whisky, brandy, gin or rum, or are made from special bases (such as malt or toddy) which are not recognised as bases for the manufacture of country spirit (*vide* paragraph 168 above) or are taxed at the tariff rate, also denatured and perfumed spirits and spirits used in drugs, medicines or chemicals.

181 *Classification of revenue*—The revenue from imported liquors consisted of the duty levied under the Indian Tariff Act, 1894, as subsequently amended, and fees paid for the right of vend. The former was credited to Customs revenue, and the latter to Excise. The duty on locally-manufactured "foreign liquors" was also credited to Excise, but no such liquor was manufactured in the province during 1926-27. The total amount of fees realised in 1926-27 from foreign liquor licenses of all sorts was Rs 0 71 lakh compared with Rs 0 81 lakh in the preceding year and Rs 0 33 lakh in the year 1912-13.

182 *Vend arrangements*—Licenses for the sale of foreign liquors were chiefly of three kinds, *viz*, (1) wholesale, (2) retail "off" (*i.e.*, permitting sale for consumption off the premises only and in quantities of not less than one pint bottle) and (3) retail "on and off". Apart from these there were also various special licenses for the sale of such liquors, *e.g.*, "steamer," "dinner," "dining car," "railway refreshment room," "dak bungalow," "hotel," "restaurant" or "bar," "late closing," "denatured and rectified spirits" and "medicated wines" licenses. The total number of licenses for retail sale of potable foreign liquors (imported) during the year under review was 144, against 142* in the preceding year and 125 in the year 1912-13. For the quantities of liquor sold under these licenses, see Statement II.

The fee for a wholesale license was fixed by the Excise Commissioner, subject to a minimum of Rs 100 per annum. Retail "off" licenses were granted on payment of fees fixed with reference to past transactions. The number of

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retail "on and off" licenses, which were ordinarily settled by auction, was kept within the narrowest possible limits and the licenses were granted only in localities where there was a considerable population accustomed to foreign liquor. The special licenses referred to above were granted on payment of fixed fees determined by the Board of Revenue or the Excise Commissioner. In the case of hotel and restaurant licenses a minimum fee of Rs 100 per annum was prescribed.

The sale of whisky, brandy and rum by foreign liquor licensees at a strength lower than 25° under proof, and of gin at a strength lower than 35° under proof was prohibited.

No compounding or blending of foreign liquors was permitted, except on premises duly licensed by the Collector in that behalf. Such licenses were granted only to licensed wholesale vendors of foreign liquors on payment of a fee of Rs 300 per annum. The bottling of liquors was also permitted by wholesale licensees under cover of a special license, for which a separate fee of Rs 50 per annum was charged. No compounding, blending or bottling licenses were, however, issued during the year.

Premises for the sale of "foreign liquor" were required to be kept entirely separate from shops for the sale of country liquor, and the grant of foreign liquor licenses to country spirit vendors was, as far as possible, avoided.

183 *Country rum and beer, and other potable foreign liquors made in India*—There were no breweries in the province, nor were foreign liquors manufactured in any of its distilleries. No special licenses were issued for the retail sale of country rum, country beer or other potable foreign liquors manufactured in India, which were sold along with other imported liquors.

184 *Denatured spirit*—The limit of retail sale of denatured spirit and its ordinary possession by private individuals was fixed at one Imperial gallon, and passes were required for its import, export and transport in excess of that quantity. Possession in excess of the same quantity was allowed only to persons specially licensed to sell such spirit or to use it for business purposes. A retail licensee was not allowed to possess such spirit in quantities exceeding 60 gallons at a time, while persons using it for industrial purposes were allowed to possess it only up to such quantities as were specified by the Collector in each case. The fees payable for wholesale and retail vend licenses and for the possession of denatured spirit in excess of the limit of retail sale were Rs 50, Rs 5 and Rs 2 per annum, respectively.

Spirit manufactured in any distillery in the province or imported under bond from other provinces was, under the rules, required to be denatured in a warehouse specially licensed for the purpose. Two licenses for the manufacture of denatured spirit were granted to proprietors of private distillery during the year. There was a stock of 604 bulk gallons of denatured spirit out of the quantity manufactured in the preceding year in the beginning of the year under report. 4,001 gallons were manufactured, and 3,542 gallons were issued during the year. This quantity of denatured spirit issued represents but a small proportion of the total quantity used in the province—many of the licensees obtained their supplies from Calcutta and Asansol. The total quantity of denatured spirit sold was 10,784 gallons, against 8,163 gallons

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in 1925-26 and 968 gallons in 1912-13. The use of denatured spirit was steadily increasing. Its use as an intoxicant was not suspected in any district. 187 licenses for retail sale of denatured spirit and 18 for its possession in excess of the ordinary limit were issued in 1926-27, against 173 and 47, respectively, in 1925-26, and 59 and 7, respectively, in 1912-13. The revenue from license fees amounted to Rs 1,128, against Rs 1,442 in the preceding year and Rs 399 in the year 1912-13. The ordinary denaturants prescribed by the rules were a mixture of light caoutchoucine and pyridine (manufactured from mineral sources) in the proportion of $\frac{1}{2}$ per cent. of each; but in the case of denatured spirit required for use in industries for which the above denaturants were not suitable, other special ingredients could be used with the sanction of the Board of Revenue in each case and subject to suitable excise restrictions.

185 *Perfumed spirit*—Perfumed spirit, when manufactured from duty-paid foreign liquor that had not been denatured, was not subject to any restrictions relating to possession and sale. But the manufacture of such spirit required a license, which could be granted free of charge. No such license was issued during 1926-27.

186 *Rectified spirit*—Rectified spirit could be sold wholesale by holders of wholesale foreign liquor licenses without any separate license. Holders of retail foreign liquor licenses were, however, prohibited from selling such spirit under these licenses. No license for the manufacture of rectified spirit was issued in the province during the year. Licensed chemists or druggists could sell rectified spirit in retail quantities for medicinal, industrial and scientific purposes only. The fee for such a license was Rs 50 per annum.

187 *Medicated wines*—Medicated wines and similar preparations containing alcohol equivalent to 20 per cent. but not more than 42 per cent. of proof spirit were sold either by (a) holders of licenses for the sale of foreign liquor or (b) persons carrying on business as chemists, druggists, apothecaries or keepers of dispensaries and medical practitioners and other persons who had been specially approved by the Collector and held a special license in that behalf. The fee for such a special license was Rs 50 per annum. Medicinal preparations containing alcohol equivalent to more than 42 per cent. of proof spirit could be sold only by foreign liquor licensees. Preparations containing alcohol equivalent to less than 20 per cent. of proof spirit were exempt from excise restrictions.

188 *Important changes (relating to liquors) introduced*—The principal changes introduced during the year were the following—

- (1) Extension of the system of settlement under the sliding scale to the country spirit shops in the Chatra sub-division of Hazaribagh.
- (2) Enhancement of the rates of duty on country spirit in portions of the district of Hazaribagh.
- (3) Enhancement of the retail prices of country spirit in the districts of Patna, Gaya, Shahabad, Saran, Muzaffarpur, Purnea, Manbhum, Hazaribagh, Singhbhum, Cuttack, Balasore and Puri.
- (4) Reduction in the limit of retail sale and possession of distillery spirit in the Sadr sub-division of Manbhum.

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- (5) Reduction of issue strengths of country spirit from 25° U P and 55° U. P to 30° U P and 60° U P respectively, in the district of the Santhal Parganas and from 70° U P and 85° U P to 72 5° U P and 86 3° U P respectively in the Sadr sub-division of Manbhum
- (6) Prescription of the weak strength of 70° U P for the first time in the districts of Cuttack, Balasore and Puri
- (7) Extension of the contract distillery system to the major portion of the outstill area in the district of Hazaribagh
- (8) Prohibition of drinking on the premises of country spirit shops in the towns of Gaya and Arrah (Shahabad) and Jamshepur (Singhbhum) as an experimental measure

189 *Temperance movements*—The movement for social uplift, attended by the eschewing of alcoholic drinks, among the low castes referred to in the previous year's Memorandum continued during the year in some districts. In Patna such movement among the *Banias* and *Goalas* spread to other castes such as *Telis*, *Dusadhs*, *Kurmis* and *Dhobies*. Local meetings were held from time to time by these castes and vows were taken by them to abstain from intoxicants. In Gaya there was a recrudescence of such movements all over the district, affecting the sales of country spirit and *tari* to some extent, while in Shahabad, meetings of *Lohars* and *Dusadhs* were held in the neighbourhood of Arrah town and at Kachwa at which resolutions were passed advocating the discontinuance of the use of alcoholic drink, but practically no action was taken by those who joined the movement. Some Dhangars in villages in thana Bagaha in the district of Champaran passed a resolution to abstain from drinking country spirit with the result that consumption decreased to some extent, but the movement lasted only for a few months. In Muzaffarpur the temperance movement is said to have led to illicit distillation in some cases. The movement among the Christians in the district of Ranchi having missionaries behind it was getting stronger. This movement was against the drinking of country spirit, but not against *pachwai*, the drinking of which was rather encouraged.

190 *Important debate, bill or resolution in the Legislative Council*—In March 1927, a motion demanding the reduction of the grant under the head "Excise" by Rs 100 was moved by Babu Jagat Narain Lal in the Local Legislative Council, and in that connection the general Excise policy of Government was adversely criticised by the non-official members. The motion was, however, rejected by 42 to 35 votes. In the course of his speech the Hon'ble the Minister in charge of Excise said—

"I have already said that I am in communication with other provinces and I assure you again that anything which has been done in other provinces, this Government will try to introduce here. Up to this time the question of local option which has been raised in this debate has not been introduced anywhere * * *
* * * Then as far as the question of giving permission to open shops in *melas* and fairs, Government has already passed orders that in future these will be stopped * * *

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As to the location of shops, you know licensing boards have been formed * * * * * In Madras and Bombay which have been mentioned so many times, I have got correspondence with me from these provinces, I think, they have not gone a bit ahead of us and rather I may say that in many respects they are behind this province. It has been said that the Government of India accepted the opium policy and lost a revenue of nine crores. A loss of nine crores out of a hundred crores is a quite different thing but here it will be two crores out of five and a half. Considering all these matters, if the Hon'ble Members want that there should be prohibition, they should propose a resolution well worded for that purpose and if they carry it the matter will be different but to come in this way proposing a cut of Rs 100 is not fair."

191 *Convictions* —3,909 persons were prosecuted for offences against the Excise and Opium Acts, against 3,828 in the year 1925-26. The total number of persons arrested in 1912-13 was 1,816 and out of these 1,580 persons were convicted. 1,200 cases of illicit distillation were detected during the year under review, against 1,690 in the year 1925-26. *Pachwar* cases increased from 652 in 1925-26 to 856 of which 640 cases occurred in Ranchi. The recent detections show the existence of a substantial demand for this beverage among non-aboriginals in the Simdega sub-division. The total number of persons convicted for offences under the Excise and Opium Acts during the year was 3,231, against 3,196 in 1925-26. The percentage of convictions to arrests was 82·7 against 83·4 in the preceding year and 87 in the year 1912-13. The number of persons convicted for offences relating to country spirit was 1,510 against 1,909 in the year 1925-26 and 798 in the year 1912-13.

192 *Location of shops* —The sites of liquor shops were carefully selected in accordance with the procedure laid down in sections 30 to 37 of the Excise Act, 1915, and rules made thereunder in consultation (a) with the magisterial and other local authorities, (b) with large employers of labour, and (c) in municipal towns, with local Advisory Committees. These committees were constituted with the Collector of the district (or, in less important towns, with the sub-divisional or other officer not below the rank of a Deputy Collector) as chairman, and the Superintendent of Police (or, in less important towns, some other police officer not below the rank of an Inspector, specially deputed by the Superintendent) as member. The non-official element consisted of (1) the chairman of the municipality (or, in towns where the Collector or Sub-divisional officer was the chairman of the municipality the vice-chairman of the municipality), and (2) one municipal commissioner for each ward in which it was proposed to license premises for a liquor shop, such municipal commissioner being nominated by the body of municipal commissioners, (in municipalities not divided into wards, one municipal commissioner was nominated by the body of municipal commissioners). Since 1914-15, Advisory Committees are also being formed, for the rural areas of the districts of the Chota Nagpur division. The functions of these committees are purely advisory, and the final decision as to the number and location of shops rests in every case with the Excise

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Commissioner and the Board of Revenue Changes are made by these authorities in deference to the views of the bodies mentioned above and to the opinion of the local residents No liquor shop can be opened in or at the entrance of a bazar, or close to places of public resort, such as schools, hospitals, places of worship, etc., or in congested portions of a village

193 *Licensing Boards*—Licensing Boards constituted for the first time in 1924-25, as an experimental measure, for the municipalities of Patna, Gaya, Chapra, Muzaffarpur, Darbhanga, Monghyr, Bhagalpur and Cuttack to exercise, subject to the control of the Local Government, all the powers and perform all the duties which were conferred and imposed upon the Collectors by sections 30 and 34 of the Bihar and Orissa Excise Act, 1915, in respect of the shops for the retail sale of country spirit and hemp drugs continued during the year under report They were vested with similar powers in respect of opium shops in the areas mentioned above The Boards were constituted as follows —

- (1) President—Chairman of the municipality
- (2) One member elected by the municipal commissioners from among their own number or from outside
- (3) One member nominated by duly registered temperance societies in the city
- (4) One non-official member of the Legislative Council, resident in the municipality
- (5) One member elected by the Principals and Headmasters of Local Colleges and High Schools recognised by the Patna University or by the Education Department of the Government
- (6) One member elected by the licensees of the town.
- (7) One member appointed by the Collector to represent the labouring and consuming classes
- (8) *Ex-officio* Secretary The Superintendent of Excise and Salt

194 *Administrative Agency*—After the appointment of a Commissioner of Excise in 1889, the Divisional Commissioners under section 33 of the Bengal Excise Act, VII of 1878, ceased to exercise control over the administration of excise in their respective divisions From the 1st April 1893, Commissioners of divisions were again brought into touch with excise, and annual and other reports, and proposals involving any change in principle or policy were required to pass through them During the year under review the Excise Commissioner worked under the general supervision of the Board of Revenue and was aided in district inspections by a Deputy Commissioner of Excise The Collector was assisted in his work by a Superintendent of Excise working immediately under his supervision, one of the Superintendents was also employed in the Excise Commissioner's office as his Personal Assistant The subordinate district agency consisted of inspectors, sub-inspectors, clerks, petty officers and peons, who were variously employed in the management of distilleries and warehouses, in the inspection of shops, in the collection of revenue and compilation of statistics, and in the detection and prevention of excise offences, and who were controlled by the Superintendent of Excise acting under the orders of the Collector Two of the Inspectorss were employed as Inspectors of distilleries

and warehouses throughout the province. The Inspector who was attached to the Police Training College, Hazaribagh, as Instructor to the excise cadets deputed for training there, was subsequently appointed as second Inspector of distilleries owing to the suspension of training of excise cadets from June 1926. With a view to exercising better control and supervision over excise shops settled under the sliding scale system and improving the general administration of the department, 20 circle Sub-Inspectors of Excise and Salt of the districts of Patna and Saran were replaced, as an experimental measure, by 7 Inspectors of Excise and Salt who were temporarily appointed against 21 vacancies in the cadre of Sub-Inspectors of Excise and Salt. The experiment was started in Patna from 1st August 1926 and in Saran from 1st October 1926.

195 Prior to 1st October 1916, the work done in 1926-27 by Superintendents of Excise, was being performed by Deputy Collectors but from that date the provincial Excise staff and the Salt staff in the Orissa districts were formed into one body, and a close service with a cadre of 23 Superintendents of Excise and Salt was formed, whose pay on confirmation was fixed on a time-scale of Rs 300 to Rs 850 by biennial increment of Rs 50 with efficiency bars at Rs 500 and Rs 700. Above the time-scale was a selection grade of one post on Rs 1,000. The post of Deputy Commissioner of Excise and Salt, (present pay Rs 1,000—40—1,200 per mensem) was also created to give the Commissioner assistance in inspection, in supervision of the preventive staff and in the co-ordination of preventive operations in different districts. These changes were effected as part of the reorganization scheme sanctioned by the Secretary of State in August 1924.

196 *Incidence of Excise revenue per head*—Calculated on the population according to the census figures of 1921, the incidence of Excise revenue in Bihar and Orissa including duty receipts on drugs exported beyond the Province was 9 annas and 4 pies per head in 1926-27, of which nearly three-fifths were derived from liquors. Excluding receipts from exports, the incidence of revenue per head of the population was 8 annas and 9 pies. In 1925-26, the average total Excise revenue (excluding receipts from exports) per head amounted to 8 annas and 11 pies compared with 4 annas and 10 pies in 1912-13.

CHAPTER VII—UNITED PROVINCES OF AGRA AND OUDH

197 *Excise revenue*—After deducting duty realised on exports to other provinces of foreign and plain spirits and beer locally manufactured after European methods, the real Excise revenue of the United Provinces, for the year ending 31st March 1927, was Rs 123 20 lakhs, as shown below —

	Receipts in lakhs of rupees	Percentage of total ex- cise receipts
	Rs	
1 Country spirit	51 91	42 1
2 <i>Tari</i> , etc	5 20	4 2
3 Duty on Indian made rum, etc	3 31	2 7
4 Duty on Indian made beer, etc	0 90	0 8
5 Fees for vend of European liquors	1 74	1 4
6 Opium and compounds	21 39	19 0
7 Hemp drugs	36 16	29 4
8 Miscellaneous	0 59	0 4
Total	123 20	100 0

The real Excise revenue and the revenue from country spirit of the United Provinces during the previous year amounted to Rs 123 88 lakhs and Rs 53 38 lakhs respectively, against Rs 123 17 lakhs and Rs 82 60 lakhs in 1912-13.

In 1925-26 the revenue from country spirit bore a percentage of 43 1 to the total Excise revenue during that year whereas in 1912-13 it represented 67 1 per cent of the total Excise receipts.

This Memorandum is concerned only with the first five items above.

198 *Law regulating liquor traffic*—The liquor traffic was regulated by the United Provinces Excise Act IV of 1910, subsequently amended by United Provinces Act III of 1914, Act I of 1915, Act III of 1918, Act IV of 1919, Act II of 1923 and the Imperial Act No. XXXVIII of 1920 (the Devolution

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203 In addition to bonded warehouses, wholesale depots were also established in certain areas for sale of spirit to retail vendors. These depots were controlled by contract distillers and duty-paid spirit obtained from the nearest bonded warehouse in the district was stored therein. Vendors of areas where a higher rate of Excise duty prevailed, were not allowed to purchase spirit from a depot in an area of lower duty. The price which was charged at wholesale depots could not exceed the total of the following items —

(a) Still-head duty ,

(b) Contract price ,

(c) depot rate as fixed by the Excise Commissioner which was about three annas per L P gallon

In the year 1926-27, 22 wholesale depots were in existence, compared with 24 in the preceding year and 5 in 1912-13

LICENSING SYSTEM

204 (a) *Licenses for retail sale* — There were two systems of licensing. In rural areas and in smaller municipalities, the Collector made proposals regarding the number and location of shops. These proposals were examined by District and Municipal Advisory Committees. In the event of disagreement the department had the right to disregard the views of the committee but, every such case had to be reported to Government. When the number and location of shops were finally determined, the Collector selected licensees in accordance with the rules and principles described hereafter. The Advisory Committees are non-official bodies appointed triennially. Members of the Legislative Council representing constituencies comprised in the area are ex-officio members of the Committees.

Licensing Boards were constituted in 23 larger municipalities. Each of these Boards consisted of ten members, mostly non-official and elected. Half the members were elected by the local municipality. Each Board decided within certain limits and subject to the control of Government the number and location of shops to be opened in the municipality, during the coming year, and then selected licensees, in accordance with the rules and principles given below. The life of each Board is three years.

In selecting licensees, honesty and ability to supervise the shop personally were considered the chief qualifications, and preference was usually given to a local resident. Continuity of tenure was assured so long as the licensee carried out the conditions of the license. The selection of a licensee for a vacant shop was made by drawing lots from among suitable applicants. As far as possible, no licensee was given more than one shop. No compensation was given in cases of closure of a shop, non-renewal of a license to the existing licensee, or cancellation of license for misconduct. Appeals against orders of cancellation of license or against selection of a licensee could be preferred to the Excise Commissioner, and thereafter to Government. License fees were recovered monthly in arrear in accordance with a prescribed scale based on the actual scale of the preceding month. The sale strength prescribed was 35° U P, except in certain areas where sale at 25° or 50° U P was specially permitted. Reduction

of spirit was prohibited Spirit was obtained from a bonded warehouse or from a wholesale depot, or from a wholesale shop situated in the same district and in an area where the rate of duty was not less than that applying to the place in which the retail shop was situated Except in areas where the system of vend of liquor in sealed and capsuled bottles was enforced, spirit in bulk could be sold but only by measures of a prescribed pattern and capacity The sealed bottle system of vend was in force during the year, in the towns of Benares Agra, Cawnpore, Lucknow, Shahjehanpur, Moradabad, Meerut, Bareilly, Saharanpur, Allahabad, Fyzabad, Gorakhpur, Jhansi, Ghazipur, Dehra Dun, Muttra, Jalalabad, Powayan and Tilhar and in the district of Bulandshahr Consumption on the premises was not allowed in these towns and in the town of Etawah

(b) *Wholesale licenses*—These were granted only with the previous sanction of the Excise Commissioner A wholesale vendor could purchase spirit only at the bonded warehouse specified in his license, he could sell to none but retail vendors in the district in which he held a license, and within an area where the rate of duty was not more than that applying to the place where the wholesale shop was situated There were 11 wholesale licenses during the year

205 *Still-head duty in distillery areas*—In 1926-27, still-head duty on country spirit issued in areas under the contract supply system was levied at the following rates —

	Per L P gallon
	Rs a p
For consumption in the towns of Dehra Dun, Rajpur, Mussoorie, Meerut, Agra, Bareilly, Cawnpore, Benares and Lucknow	12 2 0
For consumption in the towns of Jhansi, and in the Naini Tal district (except Naini Tal town and the Tarai tahsil)	6 15 0
For consumption in Darhul town in the Moradabad district, in the low duty area of the Gorakhpur district, in the trans Raptree tract of the Basti district, in the trans Chambal tract of the Etawah district, Khatima and Sittarganj, Peshkames in the Naini Tal district, and in the Almora district	5 3 0
For consumption in the Jalaun, Hamirpur, Banda, Jhansi districts, and the Tarai tahsil of Naini Tal district (except Jhansi town)	4 8 0
For consumption in Hallia circle and a portion of the Robertsganj tahsil in the Mirzapur district, in Bara tahsil and portion of the Meja tahsil in the Allahabad district	1 12 0
For consumption in the remainder of the United Provinces, except in those parts of the Pilibhit, Mirzapur, Gorakhpur, Almora, Garhwal, Kheri, Bahraich and Gonda districts which were under the outstill system	10 6 0

NOTE—The expression "town" employed above, includes the area within the municipal or town boundaries, the area within the cantonment boundaries (where there was a cantonment) and all places lying within a radius of two miles from any point on either of the aforesaid boundaries

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An export duty of 2 annas per L P gallon was levied on all exports of country spirit

In 1912-13, the rates of still-head duty on country spirit, issued from distilleries and bonded warehouses in areas under the ordinary and contract distillery systems varied from Re 0-8-0 per L P gallon for consumption in the Jhansi, Hamirpur and Banda districts to Rs 4-0-0 per L P gallon for consumption in the towns of Dehra, Mussoorie, and the Act XX town of Rajpur in the Dehra Dun district, and in the towns of Saharanpur, Meerut, Agra, Bareilly, Moradabad, Cawnpore, Allahabad, Benares, Mirzapur, Gorakhpur, Lucknow and Fyzabad

206 *Revenue, consumption and average taxation.*—The total issues to contract areas in 1926-27, amounted to 360,804 proof gallons. The revenue realised therefrom was made up of Rs 35 95 lakhs from duty and Rs 13 69 lakhs from vend fees. The average incidence of taxation amounted to Rs 13-12-2 per proof gallon, of which Rs 9-15-5 were derived from duty, and Rs 3-12-9 from vend fees, etc. In 1925-26 the total quantity of country spirit issued in contract areas amounted to 371,453 proof gallons. The total revenue realised therefrom was Rs 51 33 lakhs, and the incidence of taxation amounted to Rs 13-13-1 per proof gallon, of which Rs 9-15-2 were derived from duty and Rs 3-13-11 from vend fees, etc.

The total issues in the ordinary and contract distillery areas taken together in 1912-13 amounted to 1,689,932 proof gallons. The total revenue realised therefrom was Rs 81 20 lakhs, and the average total taxation per proof gallon amounted to Rs 1-12-11 of which Rs 3-12-10 were derived from duty and the balance from vend fees, etc.

The average consumption of country spirit per 100 of the population in the years 1912-13, 1925-26, and 1926-27, was 3 61, 0 82 and 0 79 L P gallons, respectively.

OUTSTILL SYSTEM

207 *Description, extent and revenue.*—Under this system a license to manufacture and sell spirit at a specified shop was granted on payment of a license fee which was fixed by auction. No monopoly of manufacture or vend over a specified area was granted and no still-head duty was payable in addition to the license fee.

Outstills are usually established in tracts bordering on Indian States or in localities, where owing to sparseness of population or difficulties of communication, etc., no system of contract supply and still-head duty can be worked. In both the years 1925-26, and 1926-27, the outstill system prevailed in parts of the districts of Pilibhit, Mirzapur, Gorakhpur, Gonda, Bahraich, Almora, Garhwal and Kheri. The revenue realised amounted to Rs 2 27 lakhs in 1926-27 against Rs 2 05 lakhs in 1925-26. In 1912-13, this system was extant in parts of Etawah, Pilibhit, Allahabad, Mirzapur, Gorakhpur, Kheri, Gonda, Bahraich, Almora, and Garhwal. The revenue realised under this system then amounted to Rs 1 32 lakhs. For the area under, and the population served by this system please see statement V.

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The total number of shops for the retail sale of *tari* in 1926-27 was 1,714 against 1,750 in 1925-26, and 3,023 in 1912-13

213 *Other Indian fermented liquors*—*Sendhi* is a kindred drink to *tari*, and is made from the sap of the wild date-palm (*Phoenix sylvestris*) The consumption of it was insignificant and taxation of it was generally included in the *tari* license *Darbakra* is a variety of beer obtained by fermentation of various herbs It is very slightly alcoholic It had a limited consumption in the Azamgarh district

Boza is a fermented liquor made from rice It was very little used, and was included in *tari* contracts

214 *Receipts from tari, etc*—The total revenue from *tari* (which included receipts from the other liquors mentioned above) was Rs 5 20 lakhs in 1926-27 against Rs 5 10 lakhs in 1925-26 and Rs 3 10 lakhs in 1912-13

INDIAN-MADE FOREIGN SPIRIT

215 *Manufacture and duty*—Rum, and spirits sophisticated to resemble whisky, brandy and gin, as well as rectified and denatured spirits, were manufactured after European methods both for local use and for export, at the private distilleries at Shahjehanpur, Cawnpore, Unao, Saharanpur and Lucknow Issues had to be covered by a pass granted by the officer-in-charge of the distillery No fee was charged for the distillery license, but the distillers had to deposit security which was liable to be forfeited in case they committed any breach of the conditions of their license The rate of still-head duty on such liquors was Rs 21-14-0 (the Indian customs tariff rate) per proof gallon in each of the years 1925-26 and 1926-27 compared with Rs 9-6-0 per proof gallon on rum and other sophisticated spirits, and a duty of 5 per cent *ad valorem* on denatured spirits in the year 1912-13 Since 1915-16 no duty is levied on denatured spirit Rectified spirit was issued at Rs 5 per L P gallon to approved chemists and druggists for the manufacture of drugs, medicines and chemicals

216 In 1926-27, 24,218 proof gallons of rum, sophisticated spirit, and rectified spirits of wine were issued from the six privately-owned joint-stock distilleries for consumption in the United Provinces, 66,557 gallons were issued to other provinces, of which 41,253 gallons were exported in bond and 25,304 gallons on prepayment of duty In 1912-13 the quantity of rum, sophisticated spirits and rectified spirit issued for ordinary consumption in the province amounted to about 13,575 proof gallons About 16,802 gallons of such spirits were issued to other provinces In addition to this, 72,695 gallons of country spirit were also issued to other provinces and Indian States In 1925-26, 30,011 proof gallons of rum, sophisticated spirit and rectified spirit were issued for consumption in the province, and 50,707 gallons were issued to other provinces

Indian made foreign liquor (except beer from the Punjab) was allowed to be imported only on prepayment of duty in the United Provinces or in bond and only by wholesale vendors Import of beer from the breweries in the Punjab is allowed on prepayment of duty in that province for subsequent transfer to this province by bond adjustment Export of duty-paid Indian manufactured foreign liquor from wholesale premises was made under passes

217 Indian-made rum, whisky, brandy, and gin were sold under the same licenses as imported European spirits, the vendors making their own arrangements for supply either from the distillery direct or through wholesale vendors.

An export duty of annas two per L P gallon was levied on export of all locally manufactured foreign spirit except denatured spirit to other provinces and Indian states

INDIAN-MADE BEER, ETC

218 *Manufacture and duty*—Malt liquors were manufactured after the English method in private breweries at Chakrata and Ranikhet. A duty of eight annas per gallon was charged on all issues for ordinary consumption

Beer could be removed from breweries on a pass from the Collector. If a brewer had duly executed a bond, he was authorised to issue the pass himself, provided the duty on the quantity thus issued did not exceed the amount of the bond. No fee was charged for a license to work a brewery

219 In 1926-27 the total dutiable issues amounted to 90,650 gallons, all of which were consumed within the province. In 1925-26, the total quantity of Indian-made beer issued for consumption in the province amounted to 106,700 gallons against 331,864 gallons in 1912-13

220 Indian-made beer was included in the definition of foreign liquor and was sold along with the imported article in shops licensed for the sale of European liquors generally

EUROPEAN LIQUORS

221 Revenue from the overseas imported liquors was derived only from fees for the right to sell, the duties thereon were collected by the Customs authorities. In the United Provinces, a license for the sale of European liquors covered the sale of sophisticated spirits and fermented liquors manufactured in India after European methods. Wholesale vend licenses for sales to the trade only were granted on payment of fees ranging from Rs 100 to Rs 300 a year, while fees for sales both to the trade and the public were assessed according to a fixed scale on the actual sales during the previous year and were subject to a minimum of Rs 100 a year. Fees for retail vend licenses were also assessed on the actual sales but according to different scales. The fee for a shop license for consumption off the premises was assessed on a lower scale than that for consumption both on and off the premises. License fees were assessed in the case of each shop by the Excise Commissioner himself to whom the sales during the previous year are reported annually. In towns where Licensing Boards exercised jurisdiction, licenses for sale for consumption "on and off" the premises, *i.e.*, for ordinary drinking taverns, were under the control of the Boards. Occasional licenses for the vend of spirit at public entertainments were also granted by district officers on a fee of Rs 4 per diem. When an "on and off" license was granted for premises attached to a theatre or cinema, the minimum fee was Rs 1,500 per annum. License fee for the retail vend of denatured spirit was Rs 25 per annum only

Licenses to bottle foreign liquor were granted to wholesale vendors only on fees varying from Rs 100 to Rs 300 a year

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222 *Receipts from and consumption of imported liquor* — In 1926-27 the real receipts from vend licenses for European liquors (including those manufactured in the country) amounted to Rs 1 74 lakhs against Rs 1 04 lakhs in 1925-26 and Rs 0 58 lakh in 1912-13. A comparative statement showing sales of the three classes of foreign liquor is given below —

Classes of liquor	1916-17	1925-26	1926-27
Wines (gallons)	24,733	16,377	28,823
Beer	67,581	2,15,165	2,41,267
Spirits (L P gallons)	42,749	69,721	51,973

LICENSING BOARDS

223 In the municipalities of Allahabad, Cawnpore, Benares, Lucknow, Agra, Meerut, Bareilly, Moradabad, Gorakhpur, Fyzabad, Naini Tal, Jhansi, Aligarh, Saharanpur, Shahjahanpur, Mirzapur, Farrukhabad *cum* Fatehgarh, Dehra Dun, Jaunpur, Muttra, Etawah, Budann, and Hathras, Licensing Boards with powers to determine the number and location of excise shops and to select licensees were constituted. Their composition was as under —

- 5 members representing the municipality (elected),
- 1 member representing education (elected),
- 1 member representing temperance (elected),
- 1 member representing labour (nominated),
- 1 member representing the excise licensees (elected),

and the District Excise Officer as member and Secretary. The Boards had jurisdiction over —

- (a) shops for the retail sale of country spirit,
- (b) shops for the retail sale of opium,
- (c) shops for the retail sale of intoxicating hemp drugs,
- (d) shops for the retail sale of *tari*, (except as regards the selection of licensees, where the licenses were sold by auction),
- (e) shops for the sale of "foreign" liquor for consumption "on and off" the premises,

The decisions of the Boards were subject to revision by the Local Government on appeal.

ADVISORY COMMITTEES

224 In each municipality in which a Licensing Board had not been constituted, and in each district excluding municipal and cantonment areas, an Excise Advisory Committee was appointed every three years. The committee was composed of —

- 2 members of the municipal board or of the district board, according as the Committee represented an urban or rural area,
- 2 members representing other interests, especially education and temperance,
- 2 members of the Legislative Council, representing the constituency in which the Committee functioned and the District Excise Officer as member and Secretary

The duties of the committee were (1) to meet annually to consider (a) the number and location of shops in the municipality or district and (b) any representations made in connection with excise by the inhabitants of the municipality or district, to record resolutions thereon, and to communicate them to Collector not later than the 30th November, (2) to meet when convened by the Collector for the purpose of giving him advice on matters connected with excise, (3) to meet when convened by a requisition addressed to the chairman by not less than three members, and (4) to make periodical enquiry every third year as to the location of shops

225 *Achievements of the Licensing Boards and Advisory Committees* — The result of the settlement made by the 23 Boards in so far as it relates to liquors is as given below —

Kind of shop	Number of shops in 1926-27	Changes proposed		Accepted by Excise Commissioner or by Government	
		Closure	New shops	Closure	New shops
Country spirit	129	5		3	
Tari	97	4		4	
Foreign liquor	12		2	0	1

The question of extending the system of Licensing Boards to rural areas in a few districts experimentally was under the consideration of the Government.

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The result of the settlements proposed by the Advisory Committees is shown below —

Kind of shop	Committee's proposals		District Officers' recommendations		Accepted by Excise Commissioner or Government	
	Closure	New shop	Closure	New shops	Closure	New shops
Country spirit	67	47	47	41	48	41
Tari	87	7	87	7	87	7

226 *Temperance activities*—Caste *panchayats* and temperance bodies in most districts continued to exert some influence in the direction of abstention from liquor, especially on festive occasions. A growing disposition to recognise the inevitable limitations to a policy of severe restriction or prohibition was noticeable in the speeches and writings of responsible public men both in and out of the Council.

227 *More important administrative changes*—A provincial Excise Board of 14 members for considering matters of general policy was created, and formal announcement of its constitution and functions appeared in G O No 268-XIII-33, dated July 20th, 1926.

New rules were framed regulating the import of foreign liquor manufactured in other provinces.

The system of vend of country spirit in sealed bottles was extended to eight other towns making a total of 1 district and 19 towns in all.

The tree-tax system of *tari* was extended to the whole of Gorakhpur district and part of Basti district and the rates of the tree-tax were enhanced.

The closing of all country liquor shops on the principal day of the Divali festival was ordered.

228 *Any important debate bill or resolution relating to intoxicating liquors in the Legislative Council*—A Local Option Bill has been drafted and is undergoing examination by Government. A Bill to amend the Excise Act has also been drafted and submitted to Government.

On January 25th, 1927, M. Hafiz Muhammad Ibrahim moved a resolution on prohibition. There was a heated discussion on the resolution which was accepted by Government as amended by Dr. Shafa'at Ahmad Khan. The amended resolution runs as follows —

“That this Council recommends to the Government to bring about total abstinence from liquor as speedily as possible and circulate for public opinion a Bill embodying the principle of local option and to take other measures necessary for the purpose.”

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The Hon'ble Kunwar Rajendra Singh, the Minister in charge of Excise spoke as follows in accepting the spirit of the resolution —

“ Since the inauguration of the Reforms our excise policy has all along been restrictive. We have done all what could possibly be done in this direction. This policy we have rigidly followed and consequently we can now claim that the contribution of excise revenue per head of the population is the lowest in these provinces, barring the North-Western Frontier Province. In these provinces it is only Re 0-4-6, whereas in Bombay it is Rs 2-5-0. In Madras it is Re 1-2-4, in the Punjab Re 0-9-0, in Bengal and Bihar and Orissa Re 0-8-0. During the course of the last five years we have reduced the number of country liquor shops by 42 per cent and the consumption of liquor has gone down by over 60 per cent. Not content with this, we have constituted licensing boards and advisory committees. They are representative in character with a non-official majority, and are vested with wide powers of opening and closing shops and deciding their location. Further, ours again is the only province where licensing boards exist. Such boards now exist in 23 municipalities and in the rest of the province there are advisory committees. In 1922-23 we introduced the surcharge system and it has proved very useful. Again in 1922-23 we enhanced the duty on liquor by 44 per cent, and it still remains at that figure. The cumulative effect of all these measures has been a considerable decrease in the consumption of liquor.

Now, it will be seen from what I have said that our policy has been in advance of that of any other province in India. Sir, this is the rosy side of the picture. Now let us see what the other side has to reveal. The cases of illicit distillation that come to the notice of the Government are neither few nor far between, they are rather frequent, and the Government look at them with grave concern. From 36 out of 48 districts cases of illicit distillation have been reported. The high duty on liquor has made the people indulge in more deleterious drugs. The habit of taking cocaine is rapidly increasing and spreading even among the middle class people. The greatest problem before the Government is to suppress illicit distillation and the smuggling of cocaine and other drugs. The cause of abstinence cannot be expected to advance, unless this problem is satisfactorily solved. I think that, if the present policy of the Government is radically changed, it will upset the whole thing, and for this reason I find myself unable to accept the resolution, but I am in wholehearted sympathy with the spirit of the resolution that total abstinence should be brought about as speedily as possible. I assure the honourable members that we are doing all what we can. My policy is the same which was acted upon during the time of my distinguished predecessor in office, the honourable Nawab Sahib of Chhatari. However, I am prepared to accept the amended resolution.”

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The resolution as amended was adopted by the council

229 *Prosecutions and convictions*—The total number of cases under the Excise Act increased from 1,488 in 1912-13 to 2,386 in 1926-27. It was 2,342 in the year 1925-26. Prosecutions relating to liquor rose from 1,382 in 1925-26 to 1,520 in 1926-27—thereby showing an increase of 9.9 per cent. Offences of illicit manufacture, or illicit sale or possession of spirit were reported from all but 1 district (Bulandshahr). The largest number of offences was reported from Allahabad 271, followed by Rae Bareilly 191, and Gorakhpur 105. At the end of the year 1924-25, a departmental enquiry was made by a special staff as to the extent of the offence in the Allahabad, Fatehpur, Partabgarh, and Rae Bareilly districts. It showed that the offence of illicit distillation was widely practised in those tracts. The crime of illicit distillation is not restricted to the caste of *pasis* as before but cases have been detected in which Brahmans, Thakurs, Banias and Pathans have also been convicted for the offence. Cases have been detected of diluting denatured spirit for potable purposes. The resolution of Government on the Excise Administration Report for 1925-26 expressed serious concern at the disquieting increase in excise offences.

ADMINISTRATIVE AGENCY

230 The excise administration of each district was in the hands of the Collector, under the supervision of the Excise Commissioner. The latter officer worked under the general control of the Local Government. The control of Excise work in each district was usually delegated to an Assistant Collector known as the District Excise Officer. The Deputy Excise Commissioner whose post was vacant in 1926-27 was to advise the Excise Commissioner on all technical matters connected with the administration of the Department. He had full powers of inspection, and had in particular the charge of distilleries, and warehouses. He could be placed in direct charge of any department of the excise administration or of the excise work in any specified local area. In addition, there were 7 Assistant Excise Commissioners working directly under the Excise Commissioner. An Assistant Excise Commissioner's charge consisted of 5 to 7 districts. He directed and supervised the work of the Inspectors in his charge, especially on the technical side. He consulted the Collector on local excise matters, and kept him informed on matters of provincial policy and of technical and administrative experience. The Collector could give the Assistant Excise Commissioner instructions as to matters into which he should enquire during his stay in the Collector's district. The appointment of Assistant Excise Commissioners did not relieve the Collector of responsibility for the Excise administration of his district. The subordinate staff consisted of Excise Inspectors, of whom usually 2 or 3 were posted in each district, and the Excise peons two of whom were attached to each Inspector. On the recommendation of the Economy Committee the administrative charge of excise in all the districts of Allahabad revenue division was transferred from the Assistant Excise Commissioner to the Collector but the charge of Cawnpore district has since been re-transferred to the Assistant Excise Commissioner. Every contract-bonded warehouse and every distillery was in the charge of an Excise Inspector. Inspectors were also charged with the prevention and detection of excise crime, and, to a considerable extent with the prosecution of the cases. The police had similar concurrent duties and powers.

of prevention, detection and prosecution, and the two departments worked in co-operation

INCIDENCE OF EXCISE REVENUE PER HEAD

231 The average total Excise revenue of the Province as deduced from paragraph 197, was 4 annas and 5 pies per head, of which more than half was derived from the consumption of liquors. In 1925-26 the incidence of total Excise revenue per head of population was 4 annas and 6 pies against 4 annas and 2 pies in 1912-13.

CHAPTER VIII — PUNJAB

232 *Excise revenue* — The Excise revenue of the Punjab for the year 1926-27 was realised under the following main heads —

Heads.	Receipts (in lakhs of rupees)	Percentage of total Excise revenue
(1) Country spirit made in British India	57 31	47 22
(2) Country fermented liquors	0 06	0 05
(3) Beer	7 27	6 00
(4) Foreign liquors	6 70	5 52
(5) Opium and its preparations	37 55	30 94
(6) Hemp drugs	12 15	10 00
(7) Fines, forfeitures and miscellaneous	0 33	0 27
Total	121 37*	100 00

*Does not include Rs 6 97 lakhs, the assignment of Government of India for loss of duty on liquor exported to the Delhi and N W F Provinces

In the previous year the total Excise revenue amounted to Rs 119 37 lakhs, and the revenue realised from country spirits made in India was Rs 57 17 lakhs. The corresponding figures for the year 1912-13 were Rs 64 72 lakhs and Rs 41 62 lakhs, respectively. In 1925-26 the revenue realised from country spirit bore a percentage of 47 90 to the total Excise revenue for that year against 62 8 in 1912-13.

This Memorandum is concerned only with the first four items.

233 *Law regulating liquor traffic* — The liquor traffic in the Punjab was regulated by the Punjab Excise Act, I of 1914, which came into force on the 1st February 1914 and rules framed thereunder.

COUNTRY SPIRIT

234 *Description and extent of the distillery system* — The whole of the spirit from which the country spirit revenue of the Punjab was derived was the produce of the private distilleries which compete freely, except for a few restrictions intended to prevent combination or other undesirable developments for the available trade. The system closely resembles the "Private distilleries supply" system, which until April 1901 was in force in the Madras Presidency. The last of the old official "central distilleries" which for some years were operated concurrently with the private distilleries ceased working in 1903-04. The outstill system, long after it had been abolished in the rest of the province survived in the Ferozepore Jhirka tahsil of the Gurgaon district and in portions of M219CBR

the Kangra district, but, with effect from the 1st April 1910, it was completely abolished and the ordinary distilleries supply system that prevailed in the rest of the Province was extended to Ferozepore Jhirka, while for the Kangra tracts, special arrangements including a lower rate of duty and the grant to retailers of the privilege of diluting were made. These special arrangements were replaced by the ordinary supply system in 1911-12, except in the Kulu sub-division where they remained in force until 1915-16.

235 *Meaning of the term "country spirit"* —The rate of duty, commonly known in the Punjab as the country spirit rate, is not so called in the notification which lays down the various rates of duty on spirits, but is simply referred to as the rate "leviable in respect of spirits removed from any distillery licensed in the Punjab", and applies to "spirit distilled from a sugar-cane or *mahua* base, whether plain, or flavoured, or coloured to suit a special Indian taste, provided that such spirit is not described by the name of any imported liquor or prepared in such a manner as to convey the impression that it is identical in character with any imported liquor". But, when private distilleries were first licensed in the Punjab, although they used cane bases and produced spirit which was essentially similar to "central distilleries" spirit (and indeed to out-still spirit), the fact that they used more modern appliances was held to differentiate their product from "country spirit". Private distillery spirit was accordingly excised at a rate higher than the 'country spirit' rate (though lower than the tariff rate), and was sometimes described as "Indo-European spirit". The country spirit rate was applied to "central distillery" spirit only. However, with effect from the 1st April 1898, private distilleries spirit has ceased to be separately classed and is treated as country spirit. (This followed the precedent which was set by Madras and Bombay and followed later by Bengal, Bihar and Orissa, the United Provinces, the Central Provinces and Berar and Assam). The Punjab Excise Act, 1914 defines "liquor" and "spirit" separately but the liquor definition is so worded that it covers "spirit" also. By notification under the Act 'country liquor' is defined as "all liquor other than rectified spirit, denatured spirit, and perfumed spirit", not included in the definition of 'foreign liquor', and this definition is completed by the description given at the beginning of this paragraph of the spirits to which the 'country spirit' rate of duty is applicable. Foreign liquor is defined in paragraph 258 below.

236 *Sources of supply* —Apart from foreign spirits imported into India by sea, almost all the spirit consumed in the Punjab was made at the five licensed private distilleries: Amritsar, Rawalpindi (The Murree Brewery Company), Karnal, Sujampur (in the Gurdaspur district) and Solon. Solon is in the Baghat State. Up to 31st December 1924 the Excise rules of the Punjab were by executive order applied to the Solon distillery. Since 1st January 1925 the distillery is being treated as outside the limit of British India and duty on spirit made at Solon, which comes into the Punjab districts is being levied as "import duty". Nearly all of the spirit made at Solon is consumed in the Punjab. Other imports of Indian-made spirit are allowed only from Kashmir, North-West Frontier and Delhi provinces and the Rosa distillery, Shahjahanpur, and are small. The connection of Rosa with the Punjab is of long standing, and the imports—mostly rum for troops and smaller quantities of uncoloured spirit

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chiefly for licensees in the Ambala division from this distillery has in some years been large but recently they fell off greatly. Imports from the other sources mentioned were trifling.

237 *Plant raw material and produce of licensed distilleries* — At the Amritsar, Rawalpindi and Sujampur distilleries there were respectively three, two and one continuous steam stills of the familiar 'Coffey' type or of types based on the Coffey principle. At Solon there were four copper pot stills fire heated and at Karnal there was a steam-heated wooden-bodied 'vat still' in addition to two small copper-bottomed fire-heated vat stills. There were two large copper pot stills rarely used at Rawalpindi and the Amritsar and Sujampur distilleries had respectively a copper pot still and a wooden vat still both steam-heated and both rarely used. Java (solidified) molasses and Punjab 'gur' were the chief raw materials used. At Sujampur, when the sugar factory situated beside the distillery was at work, sugar skimmings and other refuse were also used. Therefore the characteristic product of all the five distilleries was 'cane' spirit and as such it was often called 'white rum' when uncoloured. It did not materially differ from the spirit which the 'central distilleries' produced. The licensed distilleries made —

- (1) plain uncoloured cane spirit and such spirits flavoured with or without the use of caramel to suit a special Indian taste,
- (2) cane spirit coloured to the shade generally regarded as characteristic of 'rum',
- (3) cane spirit flavoured with 'brandy', 'whisky', and 'gin' essences,
- (4) whisky from malted barley (at Rawalpindi and Solon only) and
- (5) denatured and rectified spirits

Spirits of class (1) were 'country spirit'. Spirits of classes (2) to (4) were 'foreign spirits', were excised as such (see the next paragraph below), and were not sold by country spirit retailers nor did the one seer limit of possession applicable to 'country spirit' apply to them. Spirits of class (5) were separate excisable articles and were sold under special licenses.

238 *Regulation of licensed distilleries* — The design of buildings proposed for use as licensed distilleries had to be approved by the Financial Commissioner. The rules also provide for the posting at each distillery of one or more Excise officers and a sufficient number of peons. The excise staff checked and took account of the manufacture, storage and issue of spirit and saw that no spirit left the distillery until a permit had been granted by the proper authority and the duty leviable paid or an agreement for such payments executed.

239 *Rate of still-head duty* — The duty on 'country spirit' was raised on the 1st April 1909 from Rs 4 to Rs 5 per proof gallon, on the 1st April 1915 to Rs 6-4-0, on the 1st April 1920 to Rs 7-8-0, on the 9th May 1921 to Rs 10-10-0 and on the 1st April 1922 to Rs 14-1-0. From 1st April 1926 duty on country spirit has been reduced to Rs 12-8-0 per L.P. gallon with a view to combat illicit distillation and smuggling of liquor from Indian States. Denatured spirit of Indian manufacture is excised at the tariff rate—which on 1st March 1916 was raised from 5 to 7½ per cent *ad valorem* until February 1917, when under orders

of the Government of India the duty on Indian-made denatured spirit was abolished in order to encourage the commercial use of such spirit. The duty on all other spirits, apart from small quantities issued duty free under special arrangements for scientific and medical purposes, was the general tariff rate for 'tested' potable spirits which was raised from Rs 9-6-0 per proof gallon to Rs 11-4-0 on the 1st March 1916, to Rs 18-12-0 on the 1st March 1921, and to Rs 21-14-0 on the 1st April 1922. The spirits excised at this rate included Indian-made 'foreign spirits' and rectified spirit. From 1st April 1926 the duty of Indian-made foreign liquor has been reduced from Rs 21-14-0 to Rs 17-8-0 per L P Gallon with a view to check the large import of cheap German and Java liquors. A special rate of Rs 7-13-0 per proof gallon on rectified spirit used under proper safe-guards by *bona fide* manufacturing chemists for the manufacture of drugs, medicines, or chemicals was sanctioned in January 1915, but withdrawn in May 1916. A special rate of Rs 7-1-4 per proof gallon for spirit issued to troops was sanctioned for one year from the 1st July 1922 to the 30th June 1923. The concession was not renewed. All spirit coloured or uncoloured issued to troops was excised at the same rates as if issued to ordinary customers. During the year 1923-24 it was decided that, the manufacture of spirituous preparations and medicines for charitable and other hospitals and dispensaries under Government control should be conducted (in bond, or, under certain safeguards, not in bond, according to the extent of the manufacture) with the use of duty-free rectified spirits, and that for the manufacture (in bond only) of medicinal, and toilet preparations for public sale rectified spirits excised at Rs 5-0-0 per proof gallon (of contained spirit) should be used.

240 *Distribution of spirit from distilleries* — There were no bonded warehouses for storage of spirits in the Punjab. Issues for consumption in British districts of the province were made direct to wholesale or retail vendors, and only after payment of duty. No allowances were made for wastage or dryage in transport. The allowances formerly made were abolished in 1922-23. Formerly distilleries were allowed to take out through their agents, wholesale vend licenses for vend depots throughout the province. It was found that the system interfered with the proper distribution of spirit, and there was a tendency for a distillery to give orders from its own depots preference over other orders. From December 1919, therefore, the right of distilleries to take out wholesale vend licenses of the ordinary kind was withdrawn and a new license or sales to wholesalers only was introduced in order to enable distilleries to bottle and sell their special brands. From the 1st April 1915 the province was divided into spheres, minimum and maximum prices of Re 1-2-6 and Re 1-3-6 per proof gallon, respectively were fixed for plain country spirit, and each distillery was allotted one sphere with a monopoly of the right to supply spirit within it, except that vendors could import from the Rosa distillery, Shahjahanpur, or from the Delhi province. A maximum price not having been fixed for spiced (special) country spirit, distillers charged unduly high prices for it. The sphere system, so far as it applied to this class of spirit, was accordingly discontinued during the latter part of 1916 and was abolished entirely at the end of the term of three years for which it was originally sanctioned. From 1st September 1924 bottling in bond at distilleries, and transport in bond from one Punjab distillery to another have been allowed.

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241 *Wholesale licenses* — Wholesale licenses for sale of country spirit to wholesale or retail country spirit vendors were issued at a fixed fee of Rs 50 per annum. In 1926-27 there were 68 licenses for the wholesale vend of country spirit in the Province, against 66 in the preceding year and 95 in 1912-13. In 1912-13 wholesale licenses for the sale of country spirit were issued at a fee of Rs 24-0-0 per annum.

242 *Retail licenses* — Before the end of each official year the licenses for retail vend during the coming year are put up to auction separately. Local monopolies of retail vend are avoided as much as possible. Leases for a period in excess of one year are not granted otherwise than with the sanction of the Financial Commissioner. In accordance with the recommendations of the Standing Excise Committee of the Provincial Legislative Council, retail vend licenses of country spirit and foreign spirit in a few selected districts were auctioned for a term of three years as an experimental measure during 1920-21. This was done to remove speculation in bidding for licenses, but contrary to expectations, there was ruinous competition, which led to rash bids in consequence of which the terms of licenses in several places had to be reduced to one year. Towards the close of the same year licenses for 1922-23 were sold by calling for tenders at gallons rates *i e* , by inviting tenderers to say how much they were prepared to pay per gallon of the spirit sold. This system was continued for the year 1923-24, but it was decided to revert to auction for the year 1924-25. The number of retail shops open in 1926-27 was 661, against 519 in the preceding year and 795 in the year 1912-13. In order to combat illicit distillation and smuggling of liquor from Indian States, 142 new country spirit shops were opened after having consulted the local bodies.

243 *Sale price per bottle of country spirit* — Since the 1st April 1924 a schedule of the maximum price per bottle at which plain country spirit is to be sold retail has been in operation. During 1926-27 the prices ranged between Rs 2-4-0 to Rs 3-4-0 per quart bottle, comparatively low prices being fixed for areas in which illicit distillation was rife, or, in those which bordered upon Indian States.

244 *Sale strength of country spirit* — A uniform sale strength of 30° under-proof was introduced from the 1st April 1921. From the 1st April 1924 the sale strength has been raised to 20° under proof.

245 *Bottles* — From 1st April 1925 country spirit was sold in bottles containing 26 6 or 13 3 oz. From 1st April 1926 quarter bottles of 6 6 oz have also been introduced into the townships of Lahore, Amritsar and Rawalpindi.

246 *Export to Sind* — Since November 1917, the Excise authorities of Sind had obtained considerable quantities of spirit from the Amritsar distillery, owing to the distillery erected in place of the old Sind distillery not being in full working order. No such exports, therefore took place in 1925-26 and 1926-27.

247 *Arrangements with other States* — During the year 1923-24, an arrangement was concluded according to which certain Punjab States were required to raise still-head duty and retail price in their territories, in order to discourage

smuggling into British territory. An Excise Board composed of representatives from these States, with the Financial Commissioner as chairman meets twice a year to discuss matters of this kind.

248 *Sealed bottle system* — The sealed bottle system was first tried in parts of the Ferozepore district from the 1st April 1915, and in the whole district from the 1st April 1916. This system only allows retail sale in sealed bottles for consumption off the premises. It has since been extended to almost all the districts in the Province and is believed to have reduced public drunkenness and rowdiness, but it has led to illicit sale by a large number of petty traders such as soda-water sellers and *pan*-sellers, who buy single bottles, and sell them by "pegs."

249 *Local Option Act* — The Punjab Local Option Act, 1923, came into force from the 1st April 1924. Under this Act several local bodies asked for powers to prescribe the maximum number of country liquor shops within the areas under their jurisdiction. These powers were granted, but no closures of liquor shops were made in 1924-25. During 1926-27, a number of local bodies exercised their powers under the Local Option Act as regards the closure and location of country spirit shops and restriction of their hours of sale. The Moga municipality passed a resolution under the Local Option Act restricting the hours of sale and requesting the shifting of country liquor shops from their locality. The proposals of the committee were accepted and announced at the time of auction but the committee of their own accord suspended the resolution.

The municipality of Amritsar passed a resolution under the Local Option Act to reduce the number of shops in the city from 5 to 2. This proposal was refused by the Collector under section 6 of the Act, because illicit sale and the importation of illicit liquor are rife in the city of Amritsar. Moreover, the capture of a working still in the very heart of the city as well as of a considerable amount of illicit liquor and *lahan*, etc. have established the fact that the city is not ready for this change. The Commissioner of the Lahore division remarks that "the city of Amritsar has for the last 20 years suffered from well-meant but premature temperance reform which have made it a nest of illicit practices." Two liquor shops at Miani and Kot Maman in the Shahpur district had to be resold as the licensees failed to carry on the work. Probably at Kot Maman pressure was brought to bear by those concerned with traffic in illicit liquor. At Miani agitation was for some time carried on against the liquor shop, but it has now been closed by referendum.

The Municipal Committee, Rawalpindi, passed in 1925-26 resolutions under section 5(b) of the Local Option Act, to prohibit the sale of liquor within the municipal area but the referendum proved a fiasco, only 7 votes being cast out of 19,985. Immediate effect was, however, given to the resolution passed under section 8(1)(a) of the Act prescribing 10 A.M. to 4 P.M. on ordinary days and 12 A.M. to 6 P.M. on Sunday, as hours of sale for the country liquor shops. Their resolution to close shops on holidays and festivals was beyond the scope of section 1(b) of the Act and hence no action was taken thereon, while the resolution in regard to the location and reduction in the number of shops has been given effect to from 1st April 1927.

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250 *Fixed allotment system* — From 1st April 1924, it was decided that retail shops should not be supplied with more than 90 per cent of the amounts sold in 1919-20. The object of this step was to check the great increase in consumption which the steady rise in prosperity had led to. However, the anti-liquor agitation combined with the effects of enhanced duty and the high gallonage fees led to such a slump in issues in 1921-22 that the 'allotments' were not even approached.

251 *Consumption and average taxation* — The issues of Punjab distillery spirit during the year 1912-13, 1925-26 and 1926-27 were as follows. (The 1926-27 figures exclude 3,510 proof gallons supplied free of duty to the Punjab Indian States and the 1925-26 figures exclude 3,700 proof gallons supplied free of duty to these States.)

	Issues to the Punjab (proof gallons)			Issues to the N W F P (proof gallons)			Issues to other provinces (proof gallons)		
	1912-13	1925-26	1926-27	1912-13	1925-26	1926-27	1912-13	1925-26	1926-27
Plain spirit taxed at Rs 7 in 1912-13 and at Rs 14 10 in 1925-26 and at Rs 12 8-0 in 1926-27 per L P gallon	3,50,250	172,739	174,168	16,010	9,210	8,527		6,682	13,000
Splend spirit taxed at Rs 6 in 1912-13 and at Rs 14 1-0 in 1925-26 and at Rs 12 8-0 in 1926-27 per L 1 gallon	100,003	112,214	120,693	1,893	5,124	5,212	960	3,938	8,03
Coloured and sophisticated spirit taxed at Rs 9 6-0 in 1912-13 and at Rs 21 14-0 in 1925-26 and at Rs 17 8-0 in 1926-27 per L 1 gallon	10,365	15,952	18,369	1,352	27	30		1,720	8,087 (b)
Rectified spirit at Rs 9 6-0 in 1912-13 and at Rs 21 14-0 in 1925-26 and at Rs 17 8-0 in 1926-27 per L 1 gallon		4,405	4,129		204	245		68	
Coloured and sophisticated spirit taxed at Rs 14 in 1912-13 and at Rs 14 10 in 1925-26 and at Rs 12 8-0 in 1926-27 per L 1 gallon	1,004	1,235 (a)	2,253 (a)	7052			1,550		
Issues of spirit duty free		572	50		209	275			

(a) Includes spirit supplied at Rs 12 8-0 per L 1 gallon
(b) Includes spirit supplied at Rs 12 8-0 per L 1 gallon

The imports into the Punjab during 1926-27 of spirits from the Royal distilleries in the United Provinces amounted to 1,880 proof gallons as shown below —

	Proof gallon
Plain spirit taxed at Rs 12 8-0 per proof gallon	
Splend spirit taxed at Rs 12 8-0 per proof gallon	
Coloured and sophisticated spirit taxed at Rs 21 14-0 per proof gallon	849
Rectified spirit taxed at Rs 21 14-0 per proof gallon	203
Duty free	3,828
Total	4,880

In 1925-26 the imports of spirits from the Rosa distillery in the United Provinces amounted to 5,055 5 proof gallons against 10 849 proof gallons in 1912-13. The total supply of plain and spiced country spirits to the Province in 1926-27 was thus 306 308 proof gallons as indicated below, while the actual consumption was 297 757 proof gallons, i.e., an average consumption of 1 43 proof gallons per 100 of the population. The amount of vend fees realised thereon having been Rs 16 27 lakhs, the average taxation per proof gallon on the quantity issued works out to Rs 5-1-0 and that on the quantity consumed to Rs 5-7-4. Adding to these the duty of Rs 12-8-0 per proof gallon the total average taxation amounted to Rs 17-12-0 per proof gallon of the quantity issued and Rs 17-15-1 per proof gallon of the quantity consumed.

	Proof gallons
Plain spirit issued from local distilleries	174,158
Plain spirit imported from Delhi . . .	807
Spiced spirit issued from local distilleries	129,693
Spiced spirit imported from Delhi . . .	1,650
Plain spirit imported from the United Provinces	
Total	306,308

In 1925-26 the total supply of plain and spiced country spirits to the Province amounted to 286,648 proof gallons against 454,234 proof gallons in 1912-13, whereas the actual consumption was 272,795 proof gallons in 1925-26 compared with 419,932 proof gallons in 1912-13. The average consumption of country spirit per 100 of population in 1925-26 and 1912-13 was 1 31 and 2 14 proof gallons, respectively. The consumption of country spirit in 1926-27 increased by 24,962 L P gallons as compared with that of the previous year.

The receipts from vend fees amounted to Rs 14 46 lakhs in 1925-26 and to Rs 16 42 lakhs in 1912-13. In 1912-13 the average taxation per proof gallon was Rs 3-9-10 and the average total taxation amounted to Rs 8-9-10 per proof gallon, the rate of duty being Rs 5 per proof gallon. In 1925-26 average taxation per proof gallon on the quantity issued was Rs 19-1-8 and that on the quantity consumed Rs 19-5-10. The rate of duty in 1925 was Rs 14-1-0 as against Rs 12-8-0 in the year under review.

252 *Receipts, etc*—Revenue derived from country spirit in each of the years 1912-13, 1925-26 and 1926-27 was as follows—

	In lakhs of rupees		
	1912-13	1925-26	1926-27
By duty	25 20	42 7	41 04
By vend fees (including fees from distilleries)	16 42	14 5	16 27
Total	41 62	57 2	57 31

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COUNTRY FERMENTED LIQUORS

253 The only country fermented liquors made in the Punjab are *lugri* or rice-beer and *sur* or barley beer, which are consumed in Kangra proper and in Kulu. Licenses for home manufacture and consumption of these were granted for nominal fees and shops for retail vend were licensed at places fixed by the Deputy Commissioner, the license fees payable being determined by auction. No *tari* is tapped or sold in the Province. The receipts from country fermented liquors amounted in 1926-27 to Rs 0 06 lakh against Rs 06 lakh in the preceding year and Rs 03 lakh in the year 1912-13.

MALT LIQUORS

254 Of the five breweries at Solon, Kasauli, Ghoragali, Rawalpindi and Dalhousie, the two first named, being situated in the Bhagat State, have since 1st January 1925 been treated as outside the territorial limits of British India and beer made there if it enters the Punjab is charged with import duty, less an allowance of 6% to cover, the wastage in transit. At the other breweries mentioned duty is charged on the gallons of worts actually collected in the fermenting vessels, an allowance of 10 per cent to cover the wastages that occur during the subsequent handling of the beer.

255 *Vend arrangements*—The wholesale vend of beer whether made in India or imported from Europe was licensed either conjointly with that of foreign liquors or separately. The right of selling beer by retail was under the rules generally confined to persons holding licenses for the retail vend of foreign liquors. In 1912-13, however, 12 country spirit shops were licensed for the sale of beer in the Ferozepore district, and 4 separate shops for the sale of beer only were also licensed in the same district as an experimental measure with the object of facilitating the substitution of the consumption of beer for that of country spirit. In 1913-14 the sale of beer was permitted in 32 shops, licensed to sell country spirit, and 23 shops for the sale of beer only were established in 12 districts of the Province. The experiment with combined shops, however, proved a failure and had to be abandoned at the end of December 1913. With regard to the separate beer shops the results so far have not proved satisfactory and the experiment has practically come to an end. In 1926-27 there were a few retail vend beer shops in certain big towns of the Province.

256 *Receipts from consumption of beer*—The revenue from the duty on beer in 1926-27 amounted to Rs 6 67 lakhs against Rs 7 1 lakhs in the preceding year and Rs 2 38 lakhs in 1912-13. No separate figures are available to show the receipts from license fees paid for the right of selling beer for the reason that, as explained in the preceding paragraph, the vend of beer was generally licensed conjointly with that of foreign liquor.

257 The statement below shows the consumption of Indian-made beer in the Province.—

(In Imperial gallons)

1916-17	..	1,191,515*
1925-26	—	1,607,286*
1926-27		1,480,031

* Less 10 per cent. in exports to other provinces.

FOREIGN LIQUORS

258 "Foreign liquor" as defined by notification under the Punjab Excise Act, 1914, is "any liquor, other than rectified spirit, denatured spirit, and perfumed spirits, on which duty at a rate higher than that levied on country liquor is leviable". Examples of foreign liquor are the so-called whisky, brandy, and gin, distilled in India from a cane base with the addition of essences, and ordinary cane spirit coloured with caramel so as to be virtually identical with rum. Whisky distilled in India from malt, and beer brewed in India are foreign liquors. The duty receipts on issues of such spirits from the Punjab distilleries in 1926-27 amounted to Rs 3 9 lakhs against Rs 3 8 lakhs in the preceding year. Vend license fees constitute the only revenue derived in the Punjab from liquor imported by sea. The import duty on such liquors is credited to Customs revenue. The import of Indian-made foreign spirits is allowed only from Kashmir, the North-West Frontier and Delhi Provinces and the Rosa distillery, Shahjahanpur, import of other foreign liquors is not restricted.

259 *Wholesale licenses*—License for the wholesale vend to the trade only of foreign liquors including wines, spirits, and beer, whether imported or manufactured in India were granted on payment of a fee of Rs 50 per annum. In 1912-13, wholesale licenses for the vend of imported liquors were granted on payment of a fee ranging ordinarily from Rs 100 to Rs 300 per annum.

260 *Retail licenses*—Licenses for the retail vend of foreign liquors were granted either on payment of fixed fee or on fees determined by public auction in the same way as the license fee for the vend of country spirits. The auction system was usually followed for bazars and other places, where imported spirits of the cheaper sorts are likely to enter into competition with spirits made in the country. But in cantonments and other places, where population is largely European, it was for many reasons desirable to grant licenses on fixed fees to merchants of acknowledged respectability for retail vend, with which was combined wholesale vend to the trade and public. The fee for a license for sale to the public was calculated upon a scale which would ensure the maintenance of the aggregate taxation of foreign liquor at a figure at least equal to that of country spirit. An all round rate of Re 1-0-0 per gallon for spirits and wines, and 4 to 6 pies per gallon for beer, was considered suitable, and according to this scale the license fee was calculated on the recorded sale figures. Such licenses allowed consumption off the premises only. Hotels and railway refreshment rooms could obtain licenses to sell for consumption on the premises by paying a fee from Rs 100 to Rs 1,000, and the fee was reduced in the case of small hotels, boarding houses, or refreshment rooms. Restaurants paid from Rs 100 to Rs 500. Licenses authorising consumption off the premises also were given to these institutions on payment of extra fees. Special licenses at fees ranging from Rs 50 to Rs 500 were required for bars attached to hotels or restaurants. The rules provide for the grant of special licenses in the case of theatres or similar places of amusement and dak bungalows, clubs, co-operative associations, institutes, etc. Licenses were granted for the vend of imported spirits on railway dining cars for consumption on the car only, on fees ranging from Rs 25 to Rs 500 per annum. Licenses for the retail vend of liquor in military canteens were granted by the Collector with the approval of the Officer Commanding on payment of license

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fees calculated on an all-round rate of Re 1 per gallon for spirits and wines, and 4 to 6 pies per gallon for beer

261 The old system of disposal of such licenses on payment of a fee of Rs 24-0-0 per annum for a regiment and Rs 12 0 0 per annum for a smaller unit is no longer in existence

262 *Consumption*—The statement below shows the consumption of potable foreign liquors (imported) in 1916-17, 1925-26 and 1926-27—

	1916 17	1925 26	1926 27.
Spirit (proof gallons)	35,023	52,908	58,237
Wines (Imperial gallons)	10,571	18,045	20,523
Beer (Imperial gallons)	68,270	1,07,068	2,10,953

263 *Medicated wines*—No license was required for the sale of medicated wines containing less than 10 per cent of alcohol by weight, but medicated wines containing alcohol obtained by distillation in quantities exceeding 10 per cent but not exceeding 21 per cent by weight (equal to about 42 per cent of proof spirit), could only be sold under licenses granted by Collectors on payment of a fee of Rs 50 per annum for each. Such wines, when they contained over 21 per cent of alcohol by weight, could only be sold by a licensed vendor of ordinary foreign liquors

264 *Vend receipts*—The receipts from fees for licenses to sell foreign liquor by wholesale and retail in 1926-27 amounted to Rs 2 83 lakhs against Rs 2 53 lakhs in the preceding year and Rs 2 01 lakhs in the year 1912-13

265 *Location of shops*—The number and location of all liquor and drug shops in the Punjab were investigated in 1919-20, and the number to be retained in future was fixed after enquiry into the local circumstances of each shop had been made. No departure from the scale thus fixed was allowed except with the previous sanction of the Commissioner of the division. Local municipal bodies have been constituted the regular advisers of the Collectors on matters of excise policy. Every autumn the Collector is required to send his proposals for alterations in the number or location of licensed shops, and in the excise administration in general, of the towns or local area, to the local body concerned, who are allowed two months to consider them and to make their representations which, if not accepted by the Collector, must be referred to the Commissioner

266 *The Excise Board*—The Excise Board to which the Punjab States send their representatives arrived at certain conclusions regarding important excise questions which were very useful in facilitating the arrangements both of the Punjab Government and the neighbouring States. Three meetings of

the Excise Board were held on the 19th April 1926, 10th December 1926, and 12th February 1927, respectively, in the course of which the following important resolutions were passed —

- (1) That there should be a fixed sale price of country spirit throughout the areas of the Jullundur and Ambala divisions (excluding Simla district) and the Patiala, Jind, Maler Kotla, Nabha, Kapurthala and Faridkot States (excluding the Patiala Bill tracts, Narnaul, Dadri and Bawal tracts of the Patiala, Jind and Nabha States) For the rest of the Punjab, including the Simla district and the Bahawalpur State there should be a fixed rate somewhat higher than that for the Jullundur and Ambala divisions
- (2) That the sale of hill opium should be confined to divisions which did not border on the Phulkian States
- (3) That still-head duty on country spirit be reduced to Rs 10 per L. P. gallon from 1st April 1927

267 *Important legislation and changes*—On the 5th March 1925 the Excise and Opium Amendment Acts were passed to provide enhanced penalties for offences under the Excise and Opium Acts. The maximum penalties under section 61 (1), Punjab Excise Act, 1914, were increased from 1 year and Rs 1,000 fine to 2 years and Rs 2,000 fine, under section 61 (2), Punjab Excise Act, 1914, the penalties were similarly increased from 6 months and Rs 1,000 fine to one year and Rs 2,000 fine, while under section 9, Opium Act, the penalties were increased from 1 year and a fine of Rs 1,000 to 2 years and a fine of Rs 2,000. The Opium Smoking Act came into force in the Punjab on the 1st April 1924, its object being the suppression of opium smoking in municipal and cantonment areas. In the review of the Excise Administration Report for 1923-24, the Punjab Government arrived at the conclusion that the limit in respect of duty on country spirit, opium, or *charas* had been reached, and probably exceeded, and that the high prices of licit excisable articles had encouraged the production of illicit articles.

In the March 1926 session of the Punjab Legislative Council, Moulvi Mazhar Ali Azhar moved the following resolution —

“ This Council recommends to the Government—

- (a) to abandon its present excise policy for a policy of total prohibition,
- (b) to take early steps to appoint a committee to go into the whole matter and to suggest means to make the new policy a success; and
- (c) to take such other action as may be necessary or advisable to enable the Government to embark on the new policy ”

The resolution on being put to vote was defeated, 9 voting for and 46 against.

During the year 1924-25, the Legislative Council agreed to increase expenditure for excise establishment and rewards, and as a result 34 Sub-Inspectors were added to the excise establishment solely for the purpose of

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detection work Six Sub-Inspectors and six peons were also added to the establishment during 1925-26 and 4 Excise Sub-Inspectors and 4 peons in 1926-27 The total expenditure under the head "Reward" for the year under report was Rs 91,370 against Rs 92,560 in the previous year

268 *Arrests and convictions* —The following statement shows the number of persons arrested and convicted for offences under the Excise and Opium Laws during the years 1912-13, 1924-25, 1925-26 and 1926-27

Year	Number of persons arrested	Number of persons convicted
1912 13	775	570
1924 25	2,232	1,183
1925 26	2,573	1,549
1926 27	2,342	1,307

The figures for the year 1925-26 were the highest on record The number of persons arrested for illicit distillation of country spirit rose from 250 in 1912-13 to 1,234 in 1924-25, but fell from 1,399 in 1925-26 to 1,229 in 1926-27 The corresponding figures for convictions were 180 in 1912-13, 536 in 1924-25, 721 in 1925-26 and 577 in 1926-27 Reports from central districts where illicit distillation was rife indicated that the disbursement of liberal rewards and the employment of additional excise officials had not been without their effect in the suppression of offences against the Excise Law Sometime in the latter part of 1926, the Director of Information, Punjab, issued a communiqué on the subject of illicit distillation and smuggling of cocaine and opium, stating briefly facts and figures in relation to some important cases Some of these cases are briefly mentioned below —

In July 1926 a notable capture of illicit liquor was effected in a village in the Ferozepore district, when an Excise Sub-Inspector raided a house and seized one working still, 159 seers of *lahan* and 161 oz of illicit liquor From a raid on two houses in another village of the same district one working still and 80 seers of *lahan* and 2½ seers of illicit liquor were captured In a Rohtak village in August 1926, 2¼ seers of illicit liquor and about 9 seers of *lahan* were seized on the search of a house Similarly on the night between the 28th and 29th July 1926 a party of 3 was seen engaged in working an illicit still in a Lahore village These three men were arrested red-handed and besides the working still, 2 seers of illicit liquor and 21 seers of spent wash were recovered from their possession In another case in the Ferozepore district in September 1926, a man carrying a canister on his head was arrested The tin contained 11 seers of illicit liquor Several other cases of a similar nature were detected during the months of September and October in Kangra, Ferozepore, Hoshiarpur, Gurdaspur, Ludhiana, Hissar and Lyallpur districts, and large quantities of illicit liquor were recovered

ADMINISTRATIVE AGENCY

260 There was a Commissioner of Excise for the Punjab from 1888 to 1910, who was graded with Deputy Commissioners of districts, and was also Superintendent of Stamps and Registrar-General of Births, Deaths, and Marriages. The functions of the Excise Commissioner were purely advisory, as he was not invested with the powers of a Commissioner of Revenue under the Excise Act, 1896, or with any power under the Opium Act, 1878, and rules thereunder. The post has been abolished from October 1910, and most of the work taken over by one of the Financial Commissioners. The excise administration of each district was in the special charge of an Assistant or Extra Assistant Commissioner, and the preventive establishment consisted of an Inspector on pay ranging from Rs 180 to Rs 300 with one or more Sub-Inspectors on pay ranging from Rs 80 to 150 and a few peons. An Inspector on similar pay was posted to each distillery, and had one or more Sub-Inspectors on the above rates of pay to assist him. There was also a Superintendent of Excise whose appointment has been, from the 1st September 1916 converted into a Provincial Service post, and who in addition to his former duties of inspection of distilleries and breweries is required to inspect district excise work. A whole-time Distillery Expert was appointed for the Punjab from December 1920. The officer who formerly held this post was shared with the United Provinces. Since the 25th August 1925 the posts of Distillery Superintendent and the Distillery Expert have been abolished and a member of the Provincial Civil Service is appointed as Excise Assistant to the Financial Commissioner, who performs the duties of both the posts abolished.

For the purpose of dealing with smuggling, illicit distillation and other offences against the Excise and Opium Laws, an Information Bureau has been established in the Financial Commissioner's office. This is worked by an Excise Inspector on Rs 300 a month under the control of the Excise Assistant.

To secure proper co-operation between the members of the Police and Excise Departments the Excise staff in the Lyallpur and Multan districts of the province was subordinated to the Superintendent of Police in respect of the preventive measures and case work. Owing, however, to paucity of cases in these districts it was not possible to gain much experience of the utility of the system. Accordingly, with the concurrence of the Inspector-General of Police it was decided to give the experiment a further trial in the Ferozepore, Lahore and Amritsar districts, but the political situation coupled with the anti-liquor campaign made a real test of the system impossible.

The pay of Inspectors was raised to Rs 125—10—225 and of Sub-Inspectors to Rs 60—4—100 from the 1st October 1919. A further revision of these scales was found necessary, owing to high prices, and from the 1st October 1920 a time-scale rate of pay has been introduced under which the pay of the Excise Inspectors and Sub-Inspectors is placed on the same footing as the pay of Tahsildars and Naib-Tahsildars, namely, Rs 180—225 with five selection grade appointments of Rs 300 each for Inspectors and Rs 80—5—140 with 5 selection grade posts on Rs 150 each for Sub-Inspectors. The horse allowance of Excise Inspectors and Sub-Inspectors was raised from Rs 30 and Rs 20

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per mensem, respectively, to Rs 40 and in the case of Simla to Rs 50 per mensem

INCIDENCE OF EXCISE REVENUE PER HEAD

270 The average total Excise revenue per head of the population in the province during 1926-27 was Re 0-9-2 or stationary as compared with that in the preceding year, and Re. 0-5-2 in the year 1912-13

CHAPTER IX—CENTRAL PROVINCES AND BERAR

271 *Excise revenue*—The total Excise receipts for 1926 in the Central Provinces and Berar amounted to Rs 142 07 lakhs as shown below.—

Heads.	*Receipts (in lakhs of rupees)	Percentage of total Excise receipts
1 Country spirit . . .	75 15	52 9
2. <i>Tar</i> . . .	5 32	3 8
3 Duty on locally manufactured malt liquor	.	
4 Imported liquors .	1 61	1 1
5 Duty on rum imported from other provinces	1 17	0 8
6 Opium .	42 35	29 8
7 Hemp drugs	15 68	11 0
8 Miscellaneous	0 79	0 6
Total	142 07	100 0

[* Including cost price of opium and hemp drugs]

The total Excise revenue and the receipts from country spirit in 1925 amounted to Rs 164 30 lakhs and Rs 94 93 lakhs, respectively, compared with Rs 106 05 lakhs and Rs 77 25 lakhs, respectively, in the year 1912-13. The total Excise revenue in 1926 thus increased by 33 9 per cent over that of the year 1912-13, and decreased by 13 5 per cent against that of the year 1925. The revenue from country spirit represented 57 8 per cent of the total Excise revenue in 1925 against 72 8 per cent in 1912-13.

This Memorandum is concerned only with the first five items. The excise year was the calendar year 1926.

272 *Law regulating liquor traffic*—The liquor traffic is regulated by the Central Provinces Excise Act, II of 1915.

COUNTRY SPIRIT

273 *System of management*—Ever since the constitution of the Central Provinces in 1861 the problem of the Excise administration in respect of country spirit has been to adapt and combine systems in such a manner as to satisfy the very various requirements of different localities. From 1861 to 1867, a central distillery system, copied from Oudh, was tried as an exclusive system, but proved quite unsuited to rural and jungly areas. Between 1867 to 1887, the central distillery system became more and more restricted to large towns and their immediate neighbourhood, contract stills and outstills being employed in other areas. From 1881 to 1891 contract stills, which had failed to give satisfaction, were mostly replaced by outstills. From 1891 to 1895 there was a reaction against outstills, and another effort was made by means of the "Banded warehouse system" to supply rural areas with central distillery liquor. The attempt was not successful, and outstills had again to be provided for rural areas.

In Berar, a central distillery system, modelled on the Bombay district monopoly system (described in Chapter II) was in force in the Ellchpur, Amraoti and Akola districts and in the Malkapur taluq of the Buldana district till the end of the year 1898-99, the remaining area being under outstills. The central distillery system did not, however, work satisfactorily, and was from the 1st April 1899 superseded in the districts mentioned by a system based on the contract distillery system of Madras (described in Chapter I). The latter system was extended to the whole of Berar from the 1st April 1903, in accordance with the recommendations of the Central Provinces Excise Committee of 1904, and it was at the same time decided to improve the existing distillery system in the Central Provinces proper on the same model, and also gradually to bring the greater part of the outstill areas under this system.

In 1926 only two systems were in force in the Central Provinces, viz:—

- (1) The contract supply system, and
- (2) the outstill system.

In 1912-13, there was also a third system (viz: the Sadar distillery system) in force in the Central Provinces.

274 *Their distinctive features*—The main features of these two systems may be said to lie in the different methods of taxation involved. Under the outstill system the whole revenue is derived from licence fees, and no attempt is made at direct taxation on consumption. Under the contract supply system license fees contribute only a portion of the revenue, the remainder being supplied by a tax on consumption, and this takes the usual form of a quantitative and qualitative duty levied directly on the liquor. Under the Sadar distillery system the liquor itself is not directly taxed, but duty is levied on the raw material from which it is distilled.

275 *Description and extent of the contract supply system*—In 1926, the contract supply system was in force throughout Berar, in the whole of the Nagpur, Bhandara, Wardha, Balaghat, Jubbulpore, Saugor, Damoh, Seoni, Betul, Chhindwara, Hoshangabad, Narsinghpur, Nimar and Bilaspur districts.

CENTRAL PROVINCES

of the Central Provinces and in the greater part of the Chanda, Mandla, Raipur and Drug districts. In 1912-13 this system was in force in full in all the districts of Berar and in the Nagpur, Bhandara, Wardha, Balaghat, Jubbulpore, Saugor, Damoh, Betul, Hoshangabad, Narsinghapur and Nimar districts of the Central Provinces and partly in the Chanda, Seoni, Mandla, Chhindwara, Raipur Bilaspur and Drug districts. Under this system the monopoly of the distillers is limited to the manufacture of liquor, and its sale to licensed vendors at fixed strengths and prices, the retail vendor paying the duty. The distillers obtain their contracts by tender or by selection, and are required to put down liquor at a uniform price at local bonded warehouses in their contract areas and to maintain adequate supplies. The contracts may be given either within or outside the province, and may extend to plain spirit manufactured from molasses by European processes, as well as to *mahua* spirit. The spirit is taken to the bonded warehouses, mostly at high strengths, and is there reduced. It is thence issued to the retail vendors at strengths of 45°, 60° and 65° under proof, the bulk of it at the 60° and 65° under proof strength. In 1912-13 the spirit was issued to the retail vendors at strengths of 60° and 25° under proof, and in some cases 45° under proof. The right of retail vend in sanctioned individual shops is disposed of by auction. The licensees have to obtain their supplies from the bonded warehouses. They pay the full price of their liquors, *i e*, duty *plus* the contractor's charge into the Government treasuries, and have thus no direct money dealings with the distillers. In 1912-13 the Sadar distillery system was in force only in the Sironcha tahsil of the Chanda district. Later on it was replaced by the contract distillery system.

276 *Distillery arrangements* —In 1925-26 as well as in 1926-27, there were 4 distilleries, *viz*, Akola, Seoni, Betul and Katni. They were located in Government buildings, with the exception of the last, which was in private premises. The contractors paid monthly rent for Government buildings. The distilleries were in charge of Inspectors, whose salaries ranged from Rs 100 to Rs 200 a month. These officers were immediately subordinate to the Deputy Commissioner of the district, and their work was subject to inspection by senior Excise and Revenue officers. The contractors provided their own plant and appliances for distillation.

277 *The outstill system* —The operation of the outstill system was confined to the remote and sparsely populated jungly tracts of the Mandla, Raipur, Drug and Chanda districts. Suitable and necessary sites for shops having been settled, the shops were grouped in circle and for each circle one outstill was allowed. The right of working the still and of selling its outturn in the shops of the circle was auctioned for a period of one year by the Deputy Commissioner, the capacity of the still and the hours of its working being restricted. The outstills, which were erected and maintained at the expense of the contractor, were under no regular supervision, but were inspected, from time to time, by officers of the Excise and other Revenue departments. No direct taxation according to strength or consumption of liquor was attempted. The necessity for realizing enough to pay the license fees tended to prevent the monopolist of a circle from selling liquor at excessively cheap prices. Removal of spirit from one outstill area into another was generally not permitted.

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278 *Proportion of revenue realized under distillery and outstill systems —*
 The following figures show the relative importance of the distillery and outstill systems as regards revenue, area, etc., in the Central Provinces and Berar —

Systems	Area in square miles.			Population in thousands			Revenue in lakhs of rupees			Percentage to total of			
										Area.		Population.	
										1926	1925	1912-13	1926
	1912 13	1925	1926	1912 13	1925	1926	1912 13	1925	1926	1912	1925	1912-13	1926
Sadar distillery	495			33			08			5		2	
Contract distillery supply	78,748	93,799	93,799	12,441	13,646	13,646	74 51	94 12	74 21	78 9	93 9	89 4	98 0
Outstill	20,580	6,077	6,077	1,442	266	266	2 66	0 81	0 94	20 6	6 1	10 1	2 0
Total	99,823	90,876	90,876	13,216	13,912	13,912	77 25	94 93	75 15	100 0	100 0	100 0	100 0

279 *Consumption and average taxation in distillery area*—The total issues from distilleries amounted to 469,998 proof gallons in 1926, and the revenue derived therefrom was Rs 39 04 lakhs from duty and Rs 35 17 lakhs from vend fees. This gives an average taxation of Rs 15-12-8 per proof gallon of which Rs 8-4-10 were derived from duty.

In 1925, the total issues of country spirit in distillery areas amounted to 554,375 proof gallons, compared with 1,201,346 proof gallons issued from distilleries in 1912-13. The total revenue derived therefrom amounted to Rs 94 12 lakhs in 1925 (giving an average taxation of Rs 16-15-8 per proof gallon) against Rs 74 59 lakhs in the year 1912-13 (giving an average taxation of Rs 6-3-4 per proof gallon). (See statements VI and VII.)

The average consumption of country spirit per 100 of the population during the year 1926 was 3 38 proof gallons against 3 98 proof gallons in the preceding year and 8 63 proof gallons in the year 1912-13. The consumption in the province as a whole in 1926 was 15 22 per cent less than that of the preceding year, and 60 88 per cent less than that in the year 1912-13. The fall in consumption of country spirit in 1926 was due mainly to the indifferent crops of the season 1925-26 and the low price of cotton. The money market was tight throughout the year and the economic condition of the labouring classes and the cultivators in the cotton country, who form a substantial portion of the drinking population, was unfavourable. There were other artificial but powerful factors at work, viz, the enhancement of the issue price rates in some districts, the extension of the system of selling spirit exclusively in sealed bottles to several towns and closure of shops.

280 *Number of shops*—The number of shops licensed for the retail sale of country spirit was 2,294 in 1926 against 2,356 in the preceding year and 3,759 in the year 1912-13. In 1926 the average number of shops per 100,000 of population was 16 49 against 16 93 in the preceding year and 27 01 in 1912-13. (See statement III.)

281 *Excise arrangements in Zamindaris and Feudatory States*—The Excise privileges throughout the Zamindaris were disposed of in the same manner as in the Khalsa. No control was exercised over country liquor arrangements in the Feudatory States.

TARI

282 The liquor made by simple fermentation from the sap of palm trees was subject to taxation. The consumption of this liquor was confined almost entirely to the Nagpur, Bhandara, Chanda, Wardha, Jubbulpore, Chhindwara, Hoshangabad, Nimar and Raipur districts of the Central Provinces, and to the 4 districts of Berar. The Wardha district was the most important in this connection, and produced 37 per cent of the *tari* revenue of the province in 1926. The right to manufacture and sell *tari* was sold by auction. The purchasers of the monopoly made their own arrangements with the owners of the *tari* trees, and were also permitted to tap trees on Government waste lands. With effect from the 1st October 1926 a general rate of Rs 2 per tree has been sanctioned by the Local Government, as royalty to be realized by the Forest Department from vendors for *tari* trees tapped in Government forest.

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283 The tree tax system was first introduced in the Wardha district and the Chandur taluq of the Amraoti district in 1916-17. In 1926 it was in force in the whole of the Nagpur, Chanda, Wardha and Akola districts and in the whole of the Amraoti district except the Melghat taluq and in 1 taluq of the Yeotmal district—Yeotmal Kelapur Wani and Dharwa and in the Saugar tahsil of the Chhindwara district.

The tax per tree was Rs. 5 in the Amraoti, Akola, Nagpur and Wardha districts and in the Warora tahsil of the Chanda district and Rs. 3 in the four taluqs of the Yeotmal district, Rs. 2 in the three tahsils of Chanda and Rs. 1 in the one tahsil of each of the Chhindwara and Chanda districts. The system proved a success everywhere. Under this system on receipt of an application for a license for tapping the Excise Sub-Inspector of the circle marked the tree, selected by the contractor. As soon as the marking was finished, the Sub-Inspector prepared the license, and made it over to the applicant. In 1926 the *tari* revenue was composed of Rs. 1,51,000 derived from the tree-tax and Rs. 3,81,000 obtained in the form of license fees. In 1925 the receipts from the tree-tax amounted to Rs. 1,80 lakhs and those from license fees to Rs. 1,28 lakhs. In 1912-13 the Government revenue from *tari* (Rs. 1,68 lakhs) consisted only of the license fees paid for the right of manufacture and vend.

284 *Consumption and number of shops*—The total provincial consumption of *tari* during the year 1926 was estimated at 1,031,307 gallons against 1,246,291 gallons in the preceding year and 1,518,201 gallons in 1912-13. The estimate of consumption is only approximate. The fall in consumption of *tari* in 1926 was due to the general economic depression consequent on the slump in cotton. The total number of *tari* shops in 1926 was 406 against 418 in the year 1925 and 493 in the year 1912-13.

285 *Working of the tree-tax system and changes introduced*—No change was made either in the area in which the tree-tax system was in force or in the rates of tree-tax during the year 1926.

FOREIGN LIQUORS

286 *Classification and vend arrangements*—The expression "foreign liquor" in the Central Provinces includes not only liquor imported by sea, but also spirit made in India and treated so as to resemble spirit so imported and country-brewed beer or beer imported in a condensed form and afterwards converted into potable beer, and tonic wines and similar preparations, which contain 20 per cent. and upwards of proof spirit. There are ten kinds of licenses under which imported liquor may be sold in the Central Provinces, viz., an "off" license, a public house license, a hotel and refreshment room license, a dâk bungalow license, an occasional license, a chemist's and druggist's license for the sale of rectified spirits, a license for the sale of tonic wines, a canteen tenant's license, a special license, and a license for the wholesale vend of Indian-made foreign liquor.

In 1912-13, the scale of fees for the "off" license and public house license for different localities was prescribed by the Commissioner of Excise, and the hotel and refreshment room license, rectified spirits license, tonic wines

CENTRAL PROVINCES

license and canteen tenant's license were granted on fixed fees of Rs 50, Rs 5, Rs 15 and Rs 21 per annum, respectively

In the Central Provinces, with effect from the 1st January 1925, a system of assessment of license fees on each bottle imported for sale has been introduced for foreign liquor licenses in form F L 1, F L 2 and F L 3

The following scale of fees has been fixed in the Central Provinces —

Kind of license	Kind of liquor	Rate of license fees per quart bottle	
		1925	1926
		Rs n p	Rs a p
F L 1	Malt liquor (beer, ale, stout and porter) and cider	0 1 0	0 2 0
	Foreign liquor other than malt liquor	0 4 0	0 8 0
F L 2 and F L 3	Malt liquor (beer, ale, stout and porter) and cider	0 1 6	0 3 0
	Foreign liquor other than malt liquor	0 6 0	0 12 0

The rate per pint was half of that for a quart

Rectified spirits licenses, tonic wines licenses and canteen tenant's licenses were granted on fixed fees of Rs 5, Rs 15 and Rs 24 per annum, respectively

In Berar the right of vend under the "off" licenses was disposed of by unrestricted public auction. The fixed-fee system was abolished in the case of the only F L 3 license at Shegaon in Buldana and the license fee was assessed on each bottle imported for sale as per rates of fees fixed for shops in the Central Provinces

European-liquors pay a considerable customs duty at the sea ports, and no attempt is made to tax them again heavily in the Central Provinces and Berar. The chief concern of the administration with regard to them is to ensure that their sale is only entrusted to proper persons and not unduly pushed. In 1926 there were 43 licenses covering retail sale, of which 9 permitted consumption on the premises. There were also 21 licenses issued to hotels and refreshment rooms. The total license fee collections in 1926 amounted to Rs 1,61,000. In 1925 there were 59 licenses for the retail sale of foreign liquors against 71 in 1912-13. The total license fees in 1925 amounted to Rs 1,82,000 against Rs 14,000 in 1912-13.

287 *Consumption*—The consumption of imported foreign spirits and imported beer in 1926 decreased from 14,814 proof gallons in 1925 to 9,166 and

CENTRAL PROVINCES

from 51,480 proof gallons in 1925 to 17,203 gallons respectively and that of imported wines in 1926 decreased from 2,366 proof gallons in 1925 to 1,911 gallons. The competition of certain varieties of German produce with country spirit on the one hand and Indian-made foreign liquor on the other, caused a considerable diversion in favour of the cheaper brands of imported beer. The Local Government have prohibited the sale of certain brands of foreign liquor in the Province. The Government of India have taken exception to this measure and the Local Government have been addressed to reconsider their policy. In 1912-13 the sales of foreign wines, spirits and beer under shop licenses amounted to 4,482, 26,623 and 22,789 gallons respectively.

288 *Indian rum*—The only foreign liquor of Indian manufacture that was imported was rum from the Rosa distillery at Shahjahanpur in the United Provinces. Foreign liquor was also manufactured at the Akola distillery in the province.

Under the system, introduced in 1923, the import of Indian-made foreign liquor into the Central Provinces and Berar is prohibited, except in bond or on prepayment of duty in the province. The total duty collected in 1926 amounted to Rs. 1,17,000 against Rs. 1,40,000 in 1925. In 1912-13, no duty was realized locally on such imports.

289 *Denatured spirits*—Spirits rendered permanently unfit for human consumption by the admixture of caoutchoucine, or in special cases of wood-naphtha, have, from the year 1906, been excluded from the class "foreign liquor." Such spirits are imported into the Central Provinces and Berar from the Rosa distillery or from shops in Bombay and Calcutta, and allowed to be sold under separate licenses issued free of fee. Possession by unlicensed persons is restricted to two gallons. The sale of such spirits amounted to 14,507 gallons in 1926 against 11,157 gallons in the preceding year and 1,779 gallons in the year 1912-13.

Amraoti and Buldana report one case each of use of denatured spirit for human consumption.

LOCALLY PRODUCED MALT LIQUOR

290 A brewery was started at Jubbulpore in 1896. The duty on issue was levied at the tariff rate for beer of 3 annas per gallon. The duty receipts in 1912-13 were Rs. 01 lakh. No beer was manufactured in Berar. This brewery was closed from the 1st April 1915. In 1926 no beer was manufactured in the Central Provinces and Berar.

291 *Temperance movements*—The question of drink in this province is essentially a religious question, and Hinduism being essentially a non-proselytizing religion it was not possible for the orthodox Hindus to preach the gospel of abstinence to the lower castes who drank, except as a part of a political propaganda. Now that the political interest in the anti-drink movement has passed away, each caste is left to work out its own salvation. On the whole, these caste movements had but slight effect on the consumption of intoxicants. There was lack of sustained interest in the temperance movement among the aboriginal tribes of the plateau, who were the heaviest drinkers in the province. Even among the Gonds, who had taken it up far more keenly

than any other community in the province, the movement grew slack. Organized temperance societies and activities did hardly make their presence felt.

292 *Important changes*—The principal changes made in excise administration during the year were—

- (a) Outstill liquor, previously permitted to be sold at strengths of 45° to 60° U P, was reduced to 50° to 70° U P
- (b) 45° U P liquor was issued only to a few rural shops in (i) the Saugor, Nimar, Bilaspur, Buldana and Yeotmal districts bordering on Indian States, (ii) in the mining area of the Nagpur district and (iii) in the jungly area of the Seoni district, where its continuance was considered desirable on account of the prevalence of illicit distillation
- (c) The system of selling country spirit exclusively in sealed bottles for consumption off the premises was introduced in the towns of Gondia, Saugor, Damoh, Chhindwara, Raipur, Bilaspur, Drug and Malkapur. Elsewhere the system was extended by converting shops, which hitherto sold exclusively on tap, or on tap as well as in sealed bottles, which could be opened and consumed on the premises, into shops for the sale exclusively of sealed bottles for consumption off the premises. The rate of the supply of bottles, and for filling, corking, sealing and labelling them was Re 0-2-6 per bottle at all the warehouses in the province
- (d) The rates of issue prices of country spirit were further enhanced in 13 districts
- (e) In the Burhanpur tahsil of the Nimar district the strength of the staple drink was reduced from 60° to 65° U P
- (f) The all-round incidence of the Provincial duty on country spirit was Rs 8-4-10 per London proof gallon in 1925
- (g) For changes relating to *tari* and foreign liquors, see paragraphs 285 and 286 above

293 *Important debate or resolution*—In August 1921, a resolution recommending the total and immediate prohibition of the sale of country spirit was moved in the Legislative Council. As a compromise the Government agreed to accept prohibition of country liquor as the goal of their policy.

Early in 1926, Mr E. Raghavendra Rao intended to introduce a Temperance Bill in the Central Provinces Legislative Council, but the Council was prorogued before the date for which this Bill was set down. The Bill had been drafted on the lines of the Scottish Temperance Act of 1913 and some other Acts in force in the self-governing dominions of the British Empire. The object of the Bill was to confer on municipal voters the power of controlling the issue of licenses for the sale of country liquor in urban areas, and thereby to enable the Government to share with the people the responsibility for the location of liquor shops.

294 *Offences and convictions*—The number of persons prosecuted for offences under the Excise and Opium Acts was 3,581 against 3,640 in 1925 and 957 in the year 1912-13. Of these, the number of persons convicted was 3,074 in 1926 against 3,145 in the preceding year and 768 in the year 1912-13. The percentage of convictions to prosecutions was 86 in 1926 against 86 in 1925 and 80 in 1912-13.

The fall in the number of prosecutions in 1926 compared with that of the preceding year occurred mainly under the head "illicit distillation." The number of illicit distillation cases in 1926 was 1,931 against 2,340 in 1925. The number of cases relating to smuggling of liquor was 330 against 344 in 1925 and 151 in 1912-13.

LOCATION OF SHOPS

295 Under all systems the rules as to location of shops were practically the same. It was laid down that "all such sites for the sale of liquor should be avoided as might likely be to obtrude unnecessarily the vend of spirits upon the notice of passers-by, and thus unduly stimulate the demand." Existing agreements as to shops in one year are taken as the basis for the next year. The rules provide for changes at any time on account of legitimate objections which may be urged by the inhabitants of any town or village but such objections are few. Under the orders of the Government, Excise Advisory Committees were constituted for the rural areas of every district. The personnel of urban Advisory Committees was also modified—the system hitherto in force in Nagpur and Jubbulpore of appointing 4 municipal members to work on the Advisory Committee being made of general application.

ADMINISTRATIVE AGENCY

296 In 1926, 'Excise' in the Central Provinces and Berar was in the charge of an Excise Commissioner, under whose supervision and advice district officers conducted the local administration. A Distillery Expert was in charge of the technical work of the department and a Superintendent of Excise Crime was in charge of preventive work. In each district there was a District Excise Officer who was assisted by an Inspector of Excise in important districts. For executive work the district was divided into circles with a Sub-Inspector in charge of each and one or two peons to aid him.

INCIDENCE OF EXCISE REVENUE PER HEAD

297 Calculated on the census figures of 1921 the total average Excise revenue per head of the population in 1926 was about Re 1 of which about two thirds were derived from liquor. In 1925 the average total Excise revenue per head of the population was about Re 1 2 7 against about Re 0-12-2 in 1912-13.

CHAPTER X—ASSAM I

298 *Excise revenue* —The gross Excise revenue in 1926-27 amounted to Rs 71 96 lakhs and was realised under the following main heads —

Heads	Revenue in lakhs of rupees	Percentage of total Excise revenue
(1) Country spirit	21 93	30 48
(2) Country fermented liquors (<i>tari</i> and <i>pachwai</i>)	0 02	03
(3) Foreign liquors	0 15	•20
(4) Opium and its preparations	39 92	55 48
(5) Hemp drugs	9 77	13 58
(6) Miscellaneous	17	23
Total	71 96	100 0

During the year 1925-26, the total Excise revenue and the revenue from country spirit amounted to Rs 73 86 and Rs 19 93 lakhs (representing 26 98 per cent of the total Excise revenue), respectively, compared with Rs 48 52 lakhs and Rs 14 07 lakhs (representing 29 0 per cent of the total Excise revenue), respectively in 1912-13

This Memorandum is concerned only with the first three items

299 *Law regulating liquor traffic* —The liquor traffic in Assam, except in the Naga Hills, the Khasi and Jaintia Hills and the Lushai Hills, was regulated by the *Eastern Bengal and Assam Excise Act*, 1 of 1910, which was brought into force in the plains districts of the province with effect from the 1st April 1912, and in the North Cachar Hills sub-division of the Cachar district, the Dibrugarh Frontier Tract in the Lakhimpur district, the Mikir hills Tract in the Nowgong and Sibsagar districts and in the Garo Hills district, from the 1st January 1913

COUNTRY SPIRIT

300 *Definition of "Country spirit"* —"Country spirit" is plain spirit manufactured by the European or Indian process of distillation from materials which are recognised as basis for the preparation thereof, such as the *mahua* flower (*Bassia latifolia*) and molasses manufactured from the juice of sugarcane or the date-palm. In outstill areas there is added, for the purpose of stimulating fermentation, a small quantity of *bakhar*, a compound prepared from the roots and leaves of various plants

A spirit called *phatika* is also sometimes illicitly distilled from *pachwai*

301 *System under which country spirit revenue was realised*—The manufacture and sale of country spirit were carried on in Assam under two systems, viz, the contract supply system and the outstill system

302 *Contract supply system*—The contract supply system, which is based on that prevailing in Madras, was in force in the Assam Valley division (except the North Lakhimpur sub-division of the Lakhimpur district and the hills portion of the Garo Hills district) and the districts of Cachar and Sylhet. This area was supplied with spirit from the distillery at Russa in Calcutta, which is worked by the contractors, Messrs Haji Ismail Sait and Sons, who receive Rs 2-4-0 per proof gallon as the cost price of this spirit issued to retailers. The issue strengths throughout the contract area were 30° and 60° U P. Each retail shop was sold separately either by a system of tenders or by auction according as the competition was keen or not, subject to a reserved price, and the contractors were prohibited from acquiring any interest in retail vend. The majority of the shops were settled under the vend-fee system. Retailers were forbidden to mix water or any other substance with the spirit and were bound to sell it as received from the distillery and to use measures which were supplied to them on payment. The limit of retail sale of distillery liquor was three reputed quart bottles. The provisions as to the settlement of distillery shops were the same as those in the case of outstills described below. One hundred and seventy-nine shops were licensed for the retail sale of distillery liquor, against 180 in 1925-26 and 179 in 1912-13.

As a check on reckless bidding at auctions and on excessive retail prices and illicit distillation resulting therefrom, maximum prices of 12 annas and Re 1-5-0 per bottle of 60° and 30° U P spirit, respectively, were fixed in the contract areas. In 1912-13 the maximum prices fixed for this purpose were 8 annas and Re 1-2-0 per bottle of 60° and 30° U P spirit respectively. The minimum retail prices of 30° and 60° U P liquor were Re 1-1-0 and ten annas per bottle, respectively, against 12 annas and six annas per bottle, respectively, in 1912-13.

303 *Outstill system*—The outstill system was in force in the remaining portions of the province. The total areas under the outstill system in the years 1925-26 and 1926-27 were 10,900 and 10,905 square miles respectively, compared with 14,157 square miles in 1912-13. The right to work a still and sell country spirit at a fixed place is put up annually to auction at a fixed upset price. But in order to guard against monopolies and to secure a respectable class of vendors, the Deputy Commissioner may, for reasons to be recorded by him in writing, refuse to accept the highest or any bid. In the Khasi and Jaintia Hills license fees were imposed at the rate of Rs 100 per still outside the Shillong 5 mile radius, Rs 120 in certain selected villages within the Shillong 5 mile radius, Rs 275 within four miles of Jowai, and Rs 95 elsewhere in the Jowai sub-division. There was no restriction in regard to the capacity of stills. The limit of retail sale of outstill liquor was three reputed quart bottles except in the station of Shillong where the limit was one reputed quart bottle. The minimum retail selling price of outstill liquor was fixed at 6 annas per reputed quart bottle, except in the Khasi and Jaintia Hills where the minimum price was Re 1. The licensed distillers in the

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Khasi and Jaintia Hills were authorised to sell liquor to the licensed retail vendors at Shillong at thirteen annas per quart bottle

A large number of stills in the Shillong five-mile radius has been concentrated at Umjajew in the neighbourhood of Shillong and these stills are meant to work solely for the three licensed shops within the Shillong municipality

The fixing of a minimum price is mainly intended to limit, as far as possible, the temptation to intemperance, especially among garden coolies. No definite area to be supplied by any shop was fixed, but practically this was regulated by the location of other outstills. The general rule was that no two outstills should be within five miles of each other.

304 *Canteen system* —As a substitute for the auction system the settlement without auction of licenses with tea garden managers for the sale of country spirit to their coolies from canteens on their estates was tentatively introduced into the Shibsagar district when the outstill system was in force there and has been continued under the contract supply system. There is one such canteen, at Dholi in Shibsagar, with six dependent canteens. The object of this system is that the employer of labour should himself control the supply of liquor to his coolies and be in a position to check drunkenness among them. In addition to the payment of the usual still-head duty, a surcharge of Re 1-6-0 per gallon of spirit of the strength 60° U P was levied, as a vend fee, on all spirit sold in the canteens. The amount due was calculated at the end of each month and realised from the licensees.

305 *Distilleries* —There were no distilleries in the Province. The spirit required for the Province was obtained from the Russa distillery at Calcutta. In 1912-13 there was one distillery in the Province, namely, the contract distillery at Jorhat in the Sibsagar district, but it was closed in 1918.

306 *Excise warehouses* —To prevent inconvenience to retail vendors, Excise warehouses have been opened at suitable centres. Each warehouse is in the charge of a non-gazetted officer who is styled Inspector of Excise. To these warehouses liquor is sent under suitable arrangements from the distillery, duty being levied at the time of issue from the warehouses.

307 *Rate of still-head duty* —Both in 1925-26 and 1926-27, the rate of still-head duty in the contract supply area was Rs 5 per L P gallon. In 1912-13 it was Rs 3-2-0.

308 *Consumption* —The issues of distillery spirit during 1926-27 amounted to 262,116 proof gallons, compared with 237,480 proof gallons in the previous year and 247,363 proof gallons in 1912-13. The average consumption of country spirit per 100 of population in 1926-27 was 3.5 proof gallons, against 3.16 proof gallons in 1925-26 and 3.68 proof gallons in 1912-13. The average consumption of country spirit in 1926-27 thus increased by 10.75 per cent over the figures for 1925-26. While to a certain extent the increase may be put down to the action taken against illicit distillers and smugglers, the main cause is probably to be found in the general prosperity prevailing in the tea industry and timber trades. There is no doubt that the large influx of up-country labourers attracted by busy trade conditions increased the drinking population, while the good wages earned enabled the consumers to spend more,

Owing to the ease with which illicit distillation could be practised and concealed, it was difficult to devise any measure which could have been really effective. The taxation realised on country spirit in 1926-27 was Rs 13 01 lakhs from duty and Rs 8 03 lakhs from vend fees. The average taxation per proof gallon was therefore Rs 8 02, of which Rs 1 96 was derived from duty.

The total receipts from country spirit in distillery areas in 1925-26 amounted to Rs 19 20 lakhs, against Rs 13 81 lakhs in 1912-13. The average total taxation per proof gallon in 1925-26 was Rs 8-1-3 (Rs 5 0-2 from duty) against Rs 5-9-4 (Rs 3-2-1 from duty) in 1912-13.

The receipts in outstill areas in 1926-27 amounted to Rs 0 89 lakh, against Rs 0 73 lakh in 1925-26 and 0 26 lakh in 1912-13.

COUNTRY FERMENTED LIQUOR

309 *Tari*—*Tari* is the sap of the palm and used when freshly drawn from the tree.

The palmyra and date are the palm chiefly used for its production.

310 Unfermented *tari* was exempt from the provisions of the Excise Act. Licenses to sell fermented *tari* were granted under the auction system and the limit of retail sale was four seers. The receipts from license fees amounted to Rs 2,180 against Rs 1,650 in the preceding year and Rs 105 in 1912-13.

311 *Pachrai*—*Pachrai* otherwise called *laopani* or *zu* is a fermented liquor brewed generally from rice or millet. No license was issued in 1926-27 for the manufacture and retail sale of this liquor. The home-brewing for domestic consumption of *pachrai* which is universally consumed by the hill tribes and aboriginal inhabitants of the plains, was untaxed. The limit of possession was 4 seers in the plains districts and 12 seers in the hills, as in the year 1912-13.

FOREIGN LIQUORS

312 *Supply and duty*—There was no local manufacture of liquors of this description in the Province. Rum manufactured in other provinces, (namely, Bengal, Central Provinces and the United Provinces) when imported in bond, paid duty at the tariff rate. Rum required for political purposes was obtained duty free while the canteens of the Assam Rifles got their supplies at concession rates. The duty on liquors imported by sea was credited to Customs revenue at the port of entry.

313 *Vend arrangements*—Licenses were of two kinds—wholesale and retail. Wholesale licenses, which covered the sale of more than 2 gallons or 12 reputed quart bottles, were issued on payment of fixed annual fees. Retail licenses were settled on the fixed-fee system except in the Garo Hills district where the only license was settled by auction as vendors of the better class were not forthcoming.

Besides the wholesale and retail licenses there were special licenses for the sale of foreign liquors in railway refreshment rooms, on dining cars to railway trains, on board steamers and in dak bungalows. For these fixed fees were charged, except in the case of dak bungalow licenses which were settled with *Lhasamis* free of charge.

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The total number of licenses (of all sorts) for the retail sale of potable foreign liquors in 1926-27 was 113, against 108 in 1925-26 and 101 in 1912-13

314 *Consumption* —The total figures for consumption of potable foreign liquors in the province were 31,418 gross gallons, against 27,989 gross gallons in 1925-26, and 11,321 gross gallons in 1912-13. These figures do not, however, include imports by private individuals for their own use

315 *Medicated wines* —The number of licenses for the sale of medicated wines was 13, against 29 in 1925-26 and 6 in 1912-13. In 1926-27, 179 gallons were sold, against 132 gallons in 1925-26

316 *Denatured spirit* —91 licenses, against 78 in 1925-26 and 26 in 1912-13 were issued for the sale of denatured spirit and for the possession of such spirit in excess of the legal limit. 4,540 gallons were sold against 3,665 in 1925-26 and 976 gallons in 1912-13. There is no evidence that denatured spirit was used as an intoxicant in the province

LOCATION OF SHOPS

317. Sites were selected in consultation with the magisterial and other local authorities, changes being made in deference to their views and to the opinion of respectable residents. No liquor shop could be opened in a bazar, on high roads, or in close proximity to places of public resort, such as, schools, hospitals, places of worship and the like. Municipalities and local boards were consulted regarding the number and location of excise shops of all descriptions within municipal and rural areas. In the plains districts, municipal and local boards were also used as the media through which District Collectors consulted the public on matters of general and local importance in connection with Excise administration. It was also open to those boards to address the District Collectors on their own initiative about such matters. Questions concerning the methods of trading, hours of sale and excise abuses and irregularities came under their consideration. These boards which were virtually advisory committees were consulted, whenever occasion arose

Important legislation taken or Bill or Resolution in the Legislative Council

318 The Assam Temperance Bill (of the Rev J J M Nichols-Roy) was introduced in the Legislative Council on 4th April 1924, and was referred to a Select Committee in September 1924. The object of the Bill was to promote temperance in the Province and to enforce total prohibition by a gradual process. The Select Committee made certain changes in the Bill, the most important being a change in the definition of liquor, which necessitated previous sanction of the Governor-General in Council. Since the revised definition of liquor affected the Customs duties, the Government of India suggested that the Bill should be recommitted to the Select Committee. The mover refused to accept this suggestion, and consequently the Government of India withheld their sanction in January 1926. Subsequently, however, the Bill was referred again to the Select Committee, and the amended Bill was presented to the Assam Legislative Council, on the 7th July 1926, and, ultimately passed in a modified form. The Bill in its final form is a Local Option Bill, and not a Prohibition Bill. The assent of the Governor General was given to the Assam Temperance Act, 1926, on the 25th September 1926

ADMINISTRATIVE AGENCY

319 During the year "Excise" was declared to be a "transferred" subject and was transferred to the portfolio of the Honourable Member Local Self Government. The Excise Department in Assam is supervised by the Commissioners of divisions within their respective divisions. Since 1st April 1918 the excise staff has been reorganised and a close excise service with eight Superintendents of Excise for the plains districts of the province has been formed. In the interest of economy two of these posts have been held in abeyance. The duty of these officers is to inspect excise and opium shops and to assist Deputy Commissioners of districts in matters connected with Excise; they also hold charge of the Side Excise offices. Under them there are 19 Inspectors of Excise and four extra officers or reservists employed on inspection and nine Inspectors of Excise in charge of the main warehouses in the province.

The pay of Superintendents of Excise ranges from Rs. 250 to Rs. 850 and that of Inspectors from Rs. 100 to Rs. 250 per mensem. The pay of the extra officers has been fixed at Rs. 75-5-100 per mensem.

320 *Important administrative changes*—The important changes introduced during the year were the following:—

- (1) In order to check the consumption of country spirit the Deputy Commissioners were authorised to reduce the limit of private possession of 30° U. P. liquor from three to one or two bottles according to local conditions.
- (2) The system of settling country spirit shops by tender was extended to all districts of the province.
- (3) A new contract was made with the old contractors, Messrs. Haji Ismail Sait and Sons Limited of Calcutta, for the supply of country spirit to the vendors for a period of three years at Rs. 2-4 per L. P. gallon against Rs. 2-6 per L. P. gallon.

321 The Assam Temperance Bill was passed by the Legislative Council, and received the assent of His Excellency the Governor General, vide paragraph 318 above.

322 *Offences and convictions*—During the year under report, 579 persons were arrested under the Excise and Opium laws against 605 in the preceding year and 391 in the year 1912-13. Convictions were obtained against 500 or 86.35 per cent of the persons arrested in 1926-27, compared with 513 or 89.75 per cent of the persons arrested in 1925-26 and 343 or 89.2 per cent of the persons arrested in 1912-13. Cases of unlicensed manufacture and sale of country spirit during the year were 217 against 215 in 1925-26 and 62 in 1912-13. Cases of illegal possession of country spirit in 1912-13, 1925-26 and 1926-27 were 50, 68 and 25 respectively. Cases of illegal manufacture and possession of *pachwai* were 15 in 1926-27, against 18 in the preceding year and 42 in 1912-13. The total number of offences relating to intoxicating liquor in 1926-27 was 287, compared with 389 in 1925-26 and 233 in 1912-13.

323 *Incidence of Excise revenue per head*—Calculated on the population according to the census figures of 1921 the average total Excise revenue in Assam was Re. 0-15-4 per head in 1926-27 of which 30.48 per cent was derived from liquor. The average total Excise revenue per head in 1925-26 was Re. 0-15-9 of which 26.98 per cent was derived from liquor, against Re. 0-11-9 in 1912-13 of which over one-third was derived from liquor.

CHAPTER XI — NORTH WEST FRONTIER PROVINCE

321 *Excise revenue* — Including the duty on spirits imported into the North West Frontier Province from the distilleries in the Punjab and the United Provinces (Rs. 5.66 lakhs) which is credited in the financial account to the province of export, the Excise revenue of the North-West Frontier Province for the year 1926-27 was realised under the following main heads —

Heads	Receipts (in lakhs of rupees)	Percentage of total Excise revenue
1 Country spirit	4.25	40.05
2 Imported liquors	3.75	35.35
3 Opium and its preparations	1.96	18.47
4 Hemp drugs	.65	6.13
Total	10.61	100.0

In 1925-26 the total Excise revenue of the North-West Frontier Province (including Rs. 5.46 lakhs as duty realised from spirits imported from the Punjab and the United Provinces) amounted to Rs. 11.03 lakhs, against Rs. 5.23 lakhs (including Rs. 1.19 lakhs as duty on spirits imported from the Punjab) in 1912-13. The revenue from country spirit in 1925-26 amounted to Rs. 4.72 lakhs against Rs. 2.23 lakhs in 1912-13, and the percentage which this revenue bore to the total Excise revenue was 42.8 in 1925-26 and 42.6 in 1912-13.

This Memorandum is concerned only with the first two items above.

317 *Law regulating liquor traffic* — The liquor traffic in the North-West Frontier Province was regulated by the Punjab Excise Act (I of 1914), as extended to the North-West Frontier Province by the Chief Commissioner's Notification No. 120-Excise, dated the 8th/9th February 1915.

COUNTRY SPIRIT

315 *Definition of "country spirit"* — As in the Punjab, the term "country spirit" denotes potable spirit distilled in India from *gur*, molasses or *makua*, whether plain or special (i.e., spiced, flavoured or coloured with or without caramel to suit a special Indian taste) provided that it is not described by the name of any imported spirit and does not resemble such spirit or give rise to the impression that it is similar in character to such spirit. The receipts from this source amounted, as stated above, to Rs. 4.25 lakhs in 1926-27, of which Rs. 2.48 lakhs were realised from duty and Rs. 1.77 lakhs from vend license fees, the whole of the receipts from duty being credited to the Punjab. In 1925-26 the revenue from vend license fees amounted to Rs. 2.07 lakhs, compared with Rs. 1.04 lakhs in 1912-13.

326 *Distillery system and sources of supply*—There were no distilleries in the province. The distilleries in the Punjab supplied the requirements of the North-West Frontier Province with the exception of some small imports of Indian-made foreign spirits from the Rosa distillery in the United Provinces. No country spirit proper was imported from the United Provinces during the year, and the sum of Rs 1,85,061 paid as still-head duty in that province was mostly on account of coloured rum imported by military officers for the use of regiments. In 1925-26, a sum of Rs 1,48,983 was paid in the United Provinces on account of coloured rum imported by military officers. In 1912-13 only 71 gallons of methylated spirit were imported from the Rosa distillery in the United Provinces.

There were no outstill areas in the province.

327 *Rate of still-head duty*—The rate of still-head duty payable on country spirit imported from the Punjab or the United Provinces in each of the years 1925-26 and 1926-27 was Rs 14 06 and Rs 12 5 per proof gallon. All other spirits so imported paid duty at the tariff rate* of Rs 17 5 per proof gallon. In 1912-13, the rate of still-head duty payable on country spirit from the Punjab or the United Provinces was Rs 5 per proof gallon while all other spirits so imported paid duty at the tariff rate of Rs 9 37 per proof gallon.

328 *Wholesale vend*—Wholesale licenses for the vend of country spirit to the public were issued at a fixed fee of Rs 50 per annum for each license. The wholesale licensee could obtain his supply of spirit from the distilleries in the Punjab or in the United Provinces, or from a wholesale vend depot established in the former province, and could sell to wholesale and retail vendors in quantities of not less than two Imperial gallons at a time. Wholesale licenses were, however, not much sought after, because the retail vendors preferred to obtain their supplies direct from the distillery without the intervention of the wholesale licensees. In 1926-27, there were four licenses issued for the wholesale vend of country spirit, against 5 licenses in the preceding year and 5 licenses in the year 1912-13.

329 *Retail vend*—Shops for retail vend were established according to the requirements of each district, new shops being opened and old ones closed as circumstances required from time to time. Before the commencement of each official year the licenses for retail vend during the coming year were, as a rule, put up to auction separately, but the shops of the whole district or of any specified area within the district were leased together, if this course appeared desirable. Monopolies of retail vend were, however, avoided as far as possible. Leases for a period in excess of one year were not granted otherwise than with the sanction of the Revenue Commissioner. The number of retail shops for the vend of country spirit in each of the years 1925-26 and 1926-27 was 25 and 26 respectively against 37 in 1912-13.

330 *Consumption and average taxation*—The quantity of country spirit sold in the North-West Frontier Province in 1926-27 was 19,936 proof gallons, against 21,293 proof gallons in the preceding year and 24,296 proof gallons in the year 1912-13. The average consumption of country spirit per hundred

* This duty was reduced to Rs 17 8 0 per proof gallon from 1st April 1926.

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of the population in 1912-13, 1925-26 and 1926-27 was 1 11, 0 94 and 94 proof gallons, respectively. The average taxation per proof gallon from vend fees only in 1926-27 was Rs 8 91 against Rs 9 71 in the preceding year and Rs 4 29 in 1912-13. Adding to this the duty of Rs 14 06 in 1925-26, Rs 12 5 in 1926-27 and Rs 5 in 1912-13 per proof gallon, the total taxation per proof gallon amounted to Rs 21 41 in 1926-27, against Rs 23 77 in 1925-26 and Rs 9 29 in 1912-13.

OTHER LIQUORS

331 *Indian fermented liquors*—No Indian fermented liquors were consumed in the Province.

332 *Imported liquors*—In the North-West Frontier Province, as elsewhere, the Excise revenue derived from foreign liquors consists only of the license fees paid for the right of sale, the import duties on imported liquors being levied under the Indian Tariff Act and credited to Customs revenue. Still-head duty on Indian-made foreign liquors including beer excised at tariff rates is realised in the province of production. A sum of Rs 3 19 lakhs was recovered in the Punjab and the United Provinces on this account from the imports made into the North-West Frontier Province, against Rs 2 82 lakhs in the year 1925-26.

The receipts from fees for licenses to sell imported liquors by wholesale or retail in 1926-27 amounted to Rs 56,488 against Rs 48,784 in the preceding year and Rs 45,000 in 1912-13.

333 *Vend arrangements and consumption*—The vend arrangements were similar to those of the Punjab.

Sales of foreign liquor (imported) were as under—

	1916 17	1925 26	1926 27.
Wines (In Imperial gallons)	2,351	5,006	5,072½
Malt liquors (In Imperial gallons)	4,841	92,334	57,655
Spirits (In L. P. gallons)	10,219	18,094	18,765

334 *Indian beer*—There was no brewery in the province but malt liquor was imported from the Murree brewery in the Punjab on payment of duty at the place of production. 224,034 gallons of this liquor were sold during 1926-27 in the province. In 1925-26, 211,099 gallons of this liquor were sold, compared with 59,628 gallons in 1912-13.

335 *Medicated wines*—Medicated wines containing alcohol in quantities exceeding 10 per cent but not exceeding 21 per cent by weight (equivalent to 42 per cent of proof spirit) were sold under a license granted by the Collector.

on payment of a fee of Rs 50 per annum. One such license was issued during 1926-27 in the Peshawar district. In 1912-13 only one license was issued.

LOCATION OF LIQUOR SHOPS

336 The number and sites of all licensed liquor shops are fixed annually by the Collector but in practice few alterations either of number or site are made from year to year. In 1926-27 there were no local advisory committees in any district, but their place was taken by municipal committees and district boards. Before opening a new shop, notice was given to the residents of the locality, in case they wished to show cause against the shop being opened.

337 *Important changes or legislations relating to liquors*—The principle that excise duty should be credited to the province where the dutiable article is actually consumed was finally settled with the Governments of the United Provinces and the Punjab during the year under review and the accounts were adjusted by book transfer.

338 *Offences and convictions*—The total number of persons prosecuted for offences in respect of intoxicating liquors in 1926-27 was 22 against 28 in the previous year and 13 in 1912-13. The number of convictions was 16 in 1926-27, 31 in 1925-26 and 12 in 1912-13. The number of persons convicted for drunkenness in the municipal areas in the North-West Frontier Province in 1926-27 was 16 against 31 in the preceding year and 96 in the year 1912-13. In 1926-27, out of the 19 cases tried for offences relating to intoxicating liquors, 13 related to illicit possession, sale or adulteration of country spirit.

ADMINISTRATIVE AGENCY.

339 The province possessed no separate Excise Commissioner, this office being merged in that of the Revenue Commissioner. The excise administration of each district was in the special charge of an Assistant or Extra Assistant Commissioner. The preventive establishment consisted of an Excise Inspector and Sub-Inspector and a few *chaprasis* in each district*. There was also an Excise Superintendent for the whole province. A small Excise Intelligence Bureau was opened in May 1913, to collect and collate information relating to the smuggling of excisable articles, and especially of Afghan Opium. The Bureau formed a branch of the Revenue Commissioner's office, and was in the charge of an Inspector of Excise under the supervision of the Excise Superintendent.

INCIDENCE OF EXCISE REVENUE PER HEAD

340 Calculated on the census figures of 1921 and the revenue figures given in paragraph 324 above the average total Excise revenue realised in the province in 1926-27 was 3 annas and 8 pies per head of population, of which about 75.4 per cent was derived from the manufacture or licensed vend of liquors. In 1925-26, the average total Excise revenue per head of population was 3 annas and 10 pies (of which 72.8 per cent was derived from liquors) against 3 annas and 8 pies (of which about 50 per cent was derived from liquors) in 1912-13.

* Bannu was, however, without an Inspector while the Inspector for Kohat was entrusted with Customs and Tinn collection work and the supervision of a few Excise shops in Hangu Tahsil. In the Peshawar district there were also two travelling Sub Inspectors to check smuggling of opium and *charas* across the borders.

CHAPTER XII—DELHI

341 *Excise revenue*—The Excise revenue of the Delhi Province (excluding the still-head duty amounting to Rs 4 00 lakhs realised in other provinces on spirit imported into Delhi) for the year 1926-27 was realized under the following main heads —

Heads	Receipt (in lakhs of rupees)	Percentage of total Excise revenue
	Rs.	Rs
1 Spirit made in British India	1 50	30 15
2 Imported spirit including country beer	0 60	12 12
3 Opium and its preparations	1 83	37 12
4 Hemp drugs	0-99	20 1
5 Fines and miscellaneous	Nominal	Nominal
Total	4 92	100 0
Still head duty realised from the Punjab	3 67	

The figures of the total Excise revenue (excluding duty realized in other provinces) for the Delhi Province for the year 1926-27 compared with those of 1912-13 and 1925-26 are summarised below —

	1912 13	1925-26	1926 27
1 Spirit made in India	1 53	1 35	1 50
2 Imported spirit including country beer	0 22	0 47	0 60
3. Opium and its preparations	0 72	1 64	1 83
4. Hemp drugs	0 68	1 0	0 99
5 Fines and miscellaneous	-	0 00	
Total	3 15	4 52	4 92

This Memorandum is concerned only with the first two items above

342 *Law regulating liquor traffic*—The liquor traffic in the Delhi Province was regulated by the Punjab Excise Act, I of 1914, as applied to the Delhi Province, and by rules framed thereunder.

COUNTRY SPIRIT

343 *System and sources of supply*—There being no distillery in the Delhi Province, all spirits consumed were imported from the Punjab and the United Provinces on payment of duty in those provinces. The country spirit revenue of the Delhi Province in 1926-27 consisted of receipts from license fees and still-head duty realized from the exporting province by book transfer credit.

The percentage of revenue derived from country spirit to the total Excise revenue of the province during the year under review thus came to 46 per cent of the whole.

344 *Wholesale vend*—The wholesale licenses for sale of country spirit to the trade were issued at a fixed fee of Rs 50, alike in 1925-26 and 1926-27. The wholesale licensee could obtain his supply of spirit from any distillery or from a wholesale vend depot situated within the Punjab or from the Rosa distillery or other distilleries in the United Provinces with the special permission of the Chief Commissioner or from another wholesale vendor in the Delhi Province, and could, if he so wished, sell to wholesale and retail vendors in quantities larger than one seer at a time. The number of wholesale licenses for vend of country spirit during the year 1912-13 was 5, as against 3 and 2 issued during the years 1925-26 and 1926-27, respectively.

345 The number of shops for the retail vend of country spirit during the year 1912-13 was 15, which by a gradual reduction declined to 9 in 1925-26. In the year 1926-27 the number was, however, increased by one to counteract illicit sales of country spirit. The system of auctioning retail licenses, which, as a result of the introduction of the sealed bottle system was held in abeyance in favour of the sealed tender system during the years 1922-23 and 1923-24, was revived from the year 1924-25. Monopolies for retail vend were avoided as far as possible. Leases for a period in excess of one year could not be granted except with the sanction of the Chief Commissioner. The total consumption of country liquor, both plain and spiced, during the years 1912-13, 1925-26 and 1926-27 may be indicated as below—

	1912 13	1925 26	1926 27
	Rs	Rs	Rs
1 Plain	28,821	10,154	12,125
2 Spiced	3,684	4,028	6,374
Total	32,505	14,782	18,499

346 *Consumption and average taxation*—The average consumption of country liquor per 100 of the population during the years 1912-13, 1925-26 and 1926-27 was 7.82, 3.02 and 3.77 proof gallons, respectively. The large

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decrease in consumption against the year 1912-13 is attributable to the heavy rise in prices of country liquor. The incidence of duty and vend fees respectively on country spirit during the years 1912-13, 1925-26 and 1926-27 per proof gallon was as follows —

From duty			From vend fees			Total		
1912-13	1925-26	1926-27	1912 13	1925 26	1926 27	1912 13	1925 26	1926-27
Rs	Rs.	Rs	Rs	Rs	Rs	Rs	Rs	Rs
5	14 06	12 50	3 05	9 13	8 09	8 95	23 19	20 59

347 *Import of spirit from other provinces and duty realised thereon* — During the year, 21,981 gallons of country spirit were imported from the Punjab into the Province and the duty realized in the province of export amounted to Rs 2 74 lakhs. 3,425 gallons of Indian-made foreign spirit were also imported from the Punjab into the Province and the duty realized in the province of export was Rs 59 lakh. 130,142 bulk gallons of beer were also imported from the Punjab into Delhi and the duty thereon came to Rs 0 65 lakh. 223 1 gallons of rum were supplied to troops in Delhi from the United Provinces and the duty thereon amounted to Rs 2,398 at the concession rate of Rs 10-12-0 per L P gallon, in addition to 50 L P gallons of rum supplied to a local excise contractor after realization of Rs 1,105 as duty. In the preceding year 15,670 4 gallons of country spirit from the Punjab and United Provinces, and 2,309 2 gallons of Indian-made foreign spirit from the same provinces were imported into the Delhi Province. The total still-head duty realized thereon amounted to Rs 2 71 lakhs. During the year 1912-13 all imports of country spirit and of Indian-made foreign spirit were made from the Punjab only.

INDIAN FERMENTED LIQUOR

348 Indian fermented liquor was not made or sold in the province

FOREIGN LIQUOR

349 *Wholesale vend* — The only Excise revenue derived in the province from foreign liquor consisted, as elsewhere, of license fee.

A license for the wholesale or retail vend of foreign liquors to the trade was granted on payment of a fee of Rs 50 per annum, and the licensee carried with it the right to sell beer, medicated wines and all spirit coloured and sophisticated, whether imported or made in the country. The number of such licenses issued during the years 1925-26 and 1926-27 was 7 and 8, as against 5 in 1912-13.

350 *Retail vend*—Licenses for the retail vend of foreign liquor, whether imported or manufactured in India, were granted on payment of fixed fees. The auction system was usually followed for bazar licenses.

The following table shows the number of licenses of each kind issued during the years 1912-13, 1925-26 and 1926-27

	1912 13	1925 26	1926-27
	Rs	Rs	Rs
1 First class shops of approved respectability for (off) consumption	5	12	13
2 Shops in bazar	2	2	2
3 Hotels	7	14	12
Restaurants	3	9	8
Railway refreshment rooms	1	2	2
4. Theatres, bars, etc.	9	31	30
Dak bungalow	1	1	1
5 Military canteen		4	4

351 *Sales and consumption of liquor*—The quantities of foreign wines, spirit and beer sold wholesale and retail during the years 1912-13, 1925-26 and 1926 27 were as under —

	Wholesale vend			Retail vend.		
	1912 13	1925 26	1926 27	1912 13	1925 26	1926 27
	Rs	Rs	Rs	Rs	Rs	Rs
1 Wines	842	5,462	6,147	1,097	3,068	3,883
2 Spirits	2,951	23,641	16,708	6,616	14,042	11,864
3 Beer	31,463	177,952	157,964	6,760	49,593	54,008

DELMH

The increase in the wholesale and retail vend of foreign liquors (spirits and wines) as compared with 1912-13, is due to the steady rise in numbers of the higher classes of the population owing to the transfer of the seat of Government to Delhi, while the enormous increase in the case of beer is accounted for by the large consumption of beer by troops under canteen licenses. The variations in the figures for 1925-26 and 1926-27 are detailed below—

The small increase in the wholesale sales of wine is due to some of the local retailers having procured their supplies locally instead of obtaining them from outstations, while the decrease in spirits is due mainly to the larger imports made from abroad by private clubs and messes. The decrease under wholesale sales of beer is due to the reduced business done by Messrs Meakin Dyer and Company with outstation regiments.

The small increase in the retail sales of wines may be ascribed to a fluctuation in taste while the decrease in the sale of spirits is largely due to the displacement of certain cheaper foreign spirits by country spiced spirit. The increase in the retail sale of beer is due to the larger consumption under canteen licenses.

352 *Receipts*—The receipts from fees for licenses to sell foreign liquor both wholesale and retail, in 1912-13, 1925-26 and 1926-27 amounted to Rs 19,691, 41,000 and 50,000 respectively. The increase in the fees as compared with that in 1912-13 is attributable to the heavy rise in consumption.

353 *Medicated wines*—No license was required for the sale of medicated wines containing less than 10 per cent of alcohol by weight (equivalent to 10 per cent of proof spirit). But medicated wines containing over 20 per cent of alcohol by weight could only be sold under a license on payment of Rs 50 per annum as license fee. There was no license for vend of medicated wines during the year 1912-13, while there were four and six such licenses during the years 1925-26 and 1926-27, and the quantities sold were 39.5 and 36.0 gallons respectively.

354 *Methylated spirits*—Licenses for the possession and sale of methylated spirit were issued free. The Collector could grant licenses for possession up to 500 gallons, while licenses for larger quantities required the sanction of the Chief Commissioner. The number of licenses issued during the years 1912-13, 1925-26 and 1926-27 was 6,32 and 247, respectively.

355 *Rectified spirits*—Licenses for the sale of rectified spirit were granted by the Collector to the holders of licenses for the wholesale and retail vend of foreign liquor and methylated spirit, and to chemists and druggists of approved respectability at an annual fee of Rs 25. These licenses authorized the possession of rectified spirit in quantities not exceeding 10 gallons, while the possession of larger quantities was subject to the Chief Commissioner's sanction.

Licenses for the possession of rectified spirit for use in the manufacture of drugs, medicines and tinctures were also granted by the collector to recognised medical practitioners and no fee was charged. The number of licenses for vend of rectified spirit during the years 1925-26 and 1926-27 was 7 and 8, respectively, as against 2 in 1912-13. From the year 1924-25 a new license for the possession of rectified spirit at reduced rate of Rs 5, duty for the

DELHI

Manufacture of tinctures, drugs and chemicals has been issued to the Delhi Assisted Water and Chemists Co., Delhi, (now Modern Chemical Works, Delhi), which is a new concern of its kind in Delhi, and affords facilities to medical practitioners, charitable hospitals and dispensaries.

356 *Excise offences*—The number of persons arrested and convicted under the Excise and Opium Acts during the years 1925-26 and 1926-27 was 302 and 208, 129 and 87 respectively, while the number of persons arrested and convicted under those Acts during the year 1912-13 was 121 and 95 respectively. The increase in the number of arrests and convictions in 1925-26 as compared with 1912-13 is due to the rise in the smuggling operations in and en route Delhi. The variations in the figures for the years 1926-27 and 1912-13 are small. The decrease in the figure for 1926-27 as compared with that for 1925-26 is due to the slackness of the activities of the smugglers owing to the closer watch kept on them.

Tight cases of illicit possession and sale and two cases of illicit distillation of country spirit were discovered during the year under report as against 5 and 2 cases respectively in 1925-26 and 2 and 2 cases respectively in 1912-13. The amount of illicit distillation which goes on in the Delhi Province is small as compared with that in the Punjab generally.

357 *Administrative Agency*—The Chief Commissioner exercises the powers of the Head of the Excise Administration in Delhi. The Executive Excise Administration in Delhi is usually in the special charge of an Extra Assistant Commissioner, working under the control of the Collector and the preventive establishment consisting of one Inspector and 3 Sub Inspectors works under the supervision of the Superintendent of Police, C. I. D.

358 *Incidence of Excise revenue per head*—Calculated on the census returns of 1911 and 1921 the average Excise revenue (exclusive of still-head duty) of the Delhi Province for the years 1912-13, 1925-26 and 1926-27 works out to twelve annas and two pies, fourteen annas and eight pies and fifteen annas and eleven pies per head, respectively.

359 *Excise Advisory Committee*—A meeting of the Excise Advisory Committee is usually held once a year to consider the number and location of liquor shops in Delhi. The changes advocated by the Advisory Board led to the closing of 2 hotels being restricted only to hotel residents and the cancellation of the condition permitting sale to persons served with civables. No adequate reasons could be found for further reducing the number of country liquor shops. The extension of the Punjab Local Option Act to Delhi is receiving attention. The Advisory Committee consists of certain representatives of the Delhi Municipal Committee and the Local Government is always prepared to give due consideration to any carefully weighed scheme for prohibition of the sale of liquor, or of the term of sale, or otherwise.

CHAPTER XIII — AJMER-MERWARA

360 *Liquor receipts*—The Excise receipts for 1926-27 amounted to Rs 6.88 lakhs made up as follows—

Head	Receipts (in lakhs of rupees)	Percentage of total Excise revenue
1 Country spirit	5.61	81.9
2 Taddy	0.01	0.1
3 Foreign liquor	0.02	0.2
4 Opium and its preparations	0.49	7.2
5 Hemp drugs	0.61	9.0
6 Miscellaneous (including fines and forfeitures)	0.11	1.6
Total	6.88	100.0

The total Excise revenue in 1925-26 amounted to Rs 7.11 lakhs, against Rs 3.52 lakhs in the year 1912-13.

In 1925-26 the revenue from country spirit was Rs 5.89 lakhs and represented 82.5 per cent of the total Excise receipts. In 1912-13 the country spirit receipts amounted to Rs 3.03 lakhs and were 86.1 per cent of the total Excise revenue during that year.

This Memorandum is concerned only with the first three items.

361 *Law regulating liquor traffic*—The Indian Excise Act (XII of 1896) was repealed by the Excise Regulation (I of 1915), which was brought into force on the 15th February 1915.

No separate Excise report is submitted. The annual Excise report forms part of the General Administration Report.

COUNTRY SPIRIT

362 *Distillery system in force* *Supply and wholesale vend arrangements*—The district monopoly system formerly in force was superseded by the contract distillery system with effect from the 1st April, 1908. Under the new system the privilege of manufacture and supply of country spirit throughout the district of Ajmer-Merwara is disposed of by tender for a period of three years, subject to renewal at the option of the Collector for such further period, not exceeding two years, as he may determine. The successful tenderer, otherwise called the contract supplier, has the monopoly.

of supply of liquor to retail vendors within the area of his contract Some of the essential features of the contract are —

- (1) The *arrack* supplied is distilled from *mahita* and *gur* at the Ajmer distillery, and is issued at the strengths of 25° under proof and 50° under proof at the rates specified in paragraph 363 below. No *gur* liquor was manufactured during the year, the requisite quantity being imported from Cawnpore The distillery and its appurtenances are the property of the distiller and contract supplier He is required to equip and maintain his distillery on a plan approved by the Collector of Excise, and is bound to make any alterations and additions which that officer may consider necessary in the interests of the revenue The distillery is under the charge of a responsible officer, whose duty it is to check carefully every detail in the process of manufacture, and to pass the spirits for consumption on payment of duty
- (2) The distiller is bound to provide house accommodation, the rent of which must not exceed a fixed sum, for the distillery officer and his staff, if suitable quarters cannot be rented in the neighbourhood at reasonable rates
- (3) The distiller is forbidden to undertake or have any interest in retail transactions in respect of country spirit or other intoxicants in his contract area
- (4) The distiller is also required to open wholesale shops (of which there were 5 in 1926-27) for the adequate supply of liquor within his contract area Issues from wholesale shops are made only to other wholesale shops and independent shopkeepers in quantities of not less than 9 gallons and $\frac{1}{2}$ a gallon, respectively The wholesale shops are a necessary link between the distiller and the petty shopkeepers, who cannot afford to purchase more than a few gallons at a time or go long distances to obtain liquor The spirit in the wholesale shops is duty paid, and no blending or reducing operations are permitted therein
- (5) On the termination of the contract at the end of three years it is open to the contract supplier to renew the contract for a further period of two years Failing this, the in-coming contractor is required to take over at his contract rate any spirit of good quality, that the out-going contractor may leave in the distillery or wholesale shops, not exceeding two months' supply of the contract area The in-coming contractor is also required to take over at a valuation made by the Collector, all such distillery buildings, plant, vessels, furniture, tools, instruments, etc., as the Collector may consider expedient and necessary for the proper working of the distillery, and the out-going contractor is bound to hand over to the Collector or to the in-coming contractor as the Collector may direct, all the distillery buildings, plant, etc., at a valuation made at the termination of the contract by the

AJMER-MIRWARA

363 *Still head duty and consumption*—The still-head duty was raised, with effect from the 1st April 1923, to Rs 8 and Rs 5-10-0 per L P gallon in the urban and rural areas, respectively. In 1912-13 the rates of still-head duty were Rs 1-6-0 per proof gallon in urban and Rs 3-12-0 per proof gallon in rural areas. The contract rates at which spirits were supplied by the contract supplier were as under—

	<i>Per gallon of—</i>					
	25° U P.			50° U P.		
	Rs	Α	P	Rs	Α	P
<i>Mahua</i> imported	1	3	6	0	13	3
<i>Mahua</i> manufactured at Ajmer	1	3	6	0	13	3
<i>Gur</i>	1	5	9	0	14	6
Aniseed	1	6	6			

In 1912-13, the contract supplier supplied spirits at the following rates.—

	25° U P			50° U P		
	Rs	Α	P	Rs	Α	P
<i>Mahua</i> liquor	0	13	6	0	8	0
<i>Gur</i> liquor	0	15	0	0	9	6

The total issues from the distillery in 1926-27 amounted to 66,893 proof gallons, and the duty receipts therefrom were Rs 4 83 lakhs including the receipts from vend fees (0 81 lakh). The average taxation per proof gallon was Rs 8-6-10 of which Rs 7-3-7 were derived from duty.

In 1925-26, the total quantity of spirit issued from the distillery was 73,181 proof gallons against 51,780 proof gallons in 1912-13. The average consumption of spirit per 100 of population in 1912-13, 1925-26 and 1926-27 was 10 33, 11 77 and 13 50 proof gallons, respectively. The total receipts from spirit in 1925-26 amounted to Rs 5 89 lakhs (5 18 from duty) against 3 03 lakhs (2 13 lakhs from duty) in 1912-13. The average total taxation per proof gallon in 1925-26 was Rs 8-0-10 against Rs 5-13-8 in 1912-13.

364 *Retail vend arrangements*—The right of retail vend of country spirit was sold by auction by separate shops. The independent shopkeepers were required to obtain all their liquor from the contract distiller, either direct or through the agency of the wholesale shops referred to in paragraph 362 above. In order to obviate the watering of liquor by shopkeepers and to facilitate the detection of smuggled liquor the independent shopkeepers were bound, as a condition of their licenses, to sell their liquor at the fixed issue strengths of 25° under proof and 50° under proof. The great bulk of the liquor sold was of the strength of 25° under proof.

The distiller could also prepare and sell in sealed bottled sweetened-*masala* liquor at strengths of 25° under proof and 50° under proof. This consisted of the raw *mahua* liquor to which sugar and other ingredients such as aniseed and cardamom were added. The demand for such liquor was small,

AJMER-MERWARA

The total number of country spirit shops in 1912-13, 1925-26 and 1926-27 was 128, 109 and 111, respectively

365 *Privileged private distillation*—Certain *Tazim Istimrardars* of Ajmer were allowed the privilege of distilling liquor from *mahua* or molasses, on their own premises and for their own consumption, under special licenses issued by the Collector. The liquor was required to be manufactured in a place open to inspection by the superior officers of the preventive establishment, and the total amount distilled was subject to a maximum limit fixed by the Collector. No charge was made for the privilege.

366 *Toddy*—The right of drawing and selling toddy was leased out to a contractor for Rs 700 for the year 1926-27.

FOREIGN LIQUORS.

367 These include not only spirits and liquors imported from Europe but also sophisticated and flavoured spirits and spirits made from special bases which are taxed at the tariff rate of duty. No such liquors were manufactured in Ajmer-Merwara. The Excise revenue therefrom was derived from vend fees. The scale of fees for the various licenses was as follows:—

				<i>Per annum</i>
1. Wholesale vend	..	..	.	100
2. Retail vend	..	.	..	250
3. Canteen licenses		..	..	21
4. Refreshment room and hotel		.	.	100
5. Nasirabad dak bungalow		.	.	5
6. Ajmer dak bungalow			..	5
7. Railway dining car	.	.	.	100

Foreign liquors except gin (for which a strength of 35° under proof was prescribed) and denatured spirits kept for sale could not be weaker than 25° under proof. Liquors, whiskies and brandies selling at not less than Rs 24 per gallon were, however, sold at strengths lower than 25° under proof.

When liquor was bottled in India the labels on the bottles had to show the fact of such bottling and the name of the bottler. Retail vendors of foreign liquor were not allowed to alter either the nature of their liquor or the labels under which they had purchased it on pain of forfeiture of their licenses.

The duty paid on Shahjahanpur rum consumed in Ajmer-Merwara was credited to Government in the United Provinces and did not form a receipt in Ajmer-Merwara.

368 *Consumption and licenses*—The statement below shows the consumption of imported foreign liquors and the total number of retail licenses (including refreshment room and hotel, dak bungalows and dining cars licenses, etc., for the years 1916-17, 1925-26 and 1926-27.

AJMER-MERWARA

Consumption in Imperial Gallons.

Year	No of licenses	Spirits.	Wines	Malt liquors.
1916 17 ..	13	3,944	800	32,610
1925 26	12	3,378	829	20,798
1926 27	14	3,703	860	32,620

LOCATION OF SHOPS

369 The sites of liquor shops are approved by the Collector, and shops are closed or their sites altered with reference to considerations of police administration and the public good generally. In municipal towns public opinion is also consulted before deciding upon the number and locality of shops. Shops are at all times open to inspection by the superior officers down to the rank of Sub-Inspectors.

EXCISE OFFENCES AND CONVICTIONS

370 In 1912-13 the number of persons convicted for drunkenness in the municipal area was 152 against 119 in 1925-26 and 109 in 1926-27. In 1925-26 the total number of cases under the Excise Regulation and the Opium Act was 92. In these cases 119 persons were implicated, out of these 83 were convicted, 15 acquitted and 21 were under trial.

In 1926-27, the total number of cases under the Excise Regulation and the Opium Act was 87. In these cases 111 persons were implicated, out of these 86 were convicted, 17 acquitted and 8 were under trial.

ADMINISTRATIVE AGENCY

371 The Excise administration was conducted under the control of the Commissioner, by the Assistant Commissioner, who is Excise Collector for the entire district of Ajmer-Merwara. A small special preventive establishment was employed, the duties of which in respect to liquors were to repress illicit distillation or smuggling, and to see that sales at shops were in accordance with the conditions of the license. A Superintendent of Excise has been appointed for controlling the distillery and preventive establishments.

INCIDENCE OF EXCISE REVENUE PER HEAD

372 Calculated on the census figures of 1921 the average total Excise revenue per head of population in 1926-27 was Re 1-6-2 of which about 5/6ths were debitable to liquors. In 1925-26, the average Excise revenue per head was Re. 1-7-1 (just over 4/5ths from liquors) against Re 0-11-3 (7/10ths from liquors) in 1912-13.

COORG

CHAPTER XIV—COORG

373 *Excise revenue*.—The Excise receipts for 1926-27 amounted to Rs 3 30 lakhs as shown below and bore a percentage of 25 52 to the total gross revenue of the province —

Heads	Receipts in lakhs	Percentage of total Excise revenue
	Rs	
1 Country spirit	2 63	79 76
2 Toddy	0 57	17 19
3 Imported liquors	0 01	0 34
4 Beer	0 02	0 52
5 Opium	0 03	1 01
6 Hemp drugs	0 03	1 01
7 Miscellaneous	1 01	0 17
Total	3 30	100 00

In 1925-26 the total Excise receipts amounted to Rs 3 40 lakhs as against Rs 2 47 lakhs in 1912-13. The revenue from country spirit in 1925-26 was Rs 2 72 lakhs and formed 79 94 per cent. of the total Excise revenue. In 1912-13 the revenue from country spirit was Rs 1 91 lakhs which bore a percentage of 77 3 to the total Excise revenue.

This Memorandum is concerned only with the 1st four items.

374 *Law regulating liquor traffic*.—In 1912-13 the Indian Excise Act, XII of 1896, applied to Coorg. In 1925-26 and 1926-27 the Excise Regulation, I of 1915, was in force.

COUNTRY SPIRIT.

375. *Supply*.—The country spirit distilled from sugar-cane jaggery is imported, under bond, from Nellikuppam in the South Arcot district of the Madras Presidency. The contract for the import and wholesale vend of country spirit during 1926-27 was put up for tender and was granted to Messrs Parry & Co., the Conductors of the Nellikuppam distillery, who agreed to supply the spirit at the fixed local areas at Rs 1-9-6 per gallon of 35° under proof, over and above the duty of Rs 5-8-0.

376 *Duty and strength of issue* —The rate of duty in 1925-26 and 1926-27 was Rs 8-7-5 per proof gallon, as against Rs 5-10-0 in 1912-13. The strength at which the spirit was sold to the public during 1925-26, 1926-27 and 1912-13 was 35° and 30° under proof respectively.

The duty payable on the issues amounted to Rs 1 77 lakhs in 1926-27 as against Rs 1 93 lakhs in 1925-26 and Rs 1 49 lakhs in 1912-13.

A bonded warehouse has been established at Mercara in a Government building and a rental of Rs 1,188 per annum is charged for its use by the supply contractors. The over proof spirit imported by the contractors is reduced here, under supervision, to 35° U P before issue for sale.

377 *Wholesale vend* —Wholesale shops are established by the contractors, subject to the approval of the Commissioner. There were 4 such shops in each of the years 1925-26, 1926-27 and 1912-13. The wholesale shopkeepers are required to sell to the retail shopkeepers at Rs 7-1-6 per bulk gallon inclusive of duty. In 1925-26 and 1926-27 the shopkeepers obtained the *arrack* at the same rate, against Rs 4-14-6 per gallon of 30° U P in 1912-13.

378 *Retail vend* —The licenses for the retail vend in each of a number of sanctioned shops were sold by public auction for a period of one year. The successful bidders were required to obtain the liquor from the wholesale shops referred to above. The retail sale price was fixed at a flat rate of Rs 9-9-0 per bulk gallon. The same rate existed in 1925-26. In 1912-13 the retail shopkeepers sold at not less than Rs 5-8-0 per gallon in towns and at not more than Rs 6-4-0 per gallon elsewhere. The number of retail shops for the sale of country liquor in each of the years 1925-26 and 1926-27 was 25 against 33 in 1912-13.

379 *Consumption* —The consumption of country spirit in 1926-27 was 21,213 proof gallons compared with 22,866 proof gallons in 1925-26 and 26,493 proof gallons in 1912-13. The average consumption of country spirit per 100 of population in the year 1926-27 was 12 94 proof gallons compared with 13 95 in 1925-26 and 15 14 in 1912-13. The average consumption in 1926-27 fell by 1 01 proof gallons compared with that of the preceding year and by 2 20 proof gallons compared with the consumption of 1912-13.

380 *Average taxation* —The receipts under vend license amounted to Rs 0 86 lakh in 1926-27 compared with Rs 0 81 lakh in 1925-26 and Rs 0 42 lakh in 1912-13. Adding to the 1926-27 figure the sum of Rs 1 77 lakhs realised from duty the receipts from country liquor amounted to Rs 2 63 lakhs in 1926-27 compared with Rs 2 72 lakhs in 1925-26 and Rs 1 91 lakhs in 1912-13. The average total taxation in 1926-27 amounted to Rs 12-8-0 per proof gallon of which Rs 8-7-5 was derived from duty. In 1925-26 the average total taxation per proof gallon of country spirit was Rs 12-0-10 (Rs 8-7-5 from duty) as against Rs 7-3-4 (5-10-0 from duty) in the year 1912-13.

TODDY

381 *Supply and vend* —The right of obtaining and selling toddy in each of a number of sanctioned shops is leased by auction from year to year. The contractor may tap mature palms on Government lands but must make his own arrangements with private tree owners. The latter may draw toddy from

COORG

their trees for their own consumption but shall not dispose of it otherwise or grant the right of tapping their trees except to the vend renter and for cash payment. The limit of possession without a license should not, in any case, exceed four seers. The number of licenses for the retail sale of toddy in the year 1926-27 was 45 compared with 17 in 1925-26 and 88 in 1912-13.

Bakers may procure passes on payment of one rupee per annum for the purchase of stale toddy for the manufacture of bread and biscuits.

382 *Taxation, etc* —The rental realised at the auction sales of the retail shops is the only source of revenue under this head. The rental realised in 1926-27 was Rs 0 57 lakh against Rs 0 59 lakh in 1925-26 and Rs 0 46 lakh in 1912-13.

IMPORTED LIQUORS, &c

383 *Taxation, sale etc* —Licenses for the wholesale and retail sale of imported (European) liquors were granted on payment of a fixed fee of Rs 240 and Rs 120 per annum respectively. The number of wholesale shops in 1926-27 was two against one in 1925-26 and 1912-13. The number of retail shops in 1926-27 was 5 against 6 in 1925-26 and 7 in 1912-13.

The statement below shows the consumption of imported liquors in the years 1912-13, 1925-26 and 1926-27.

Year	Spirits in Imperial gallons	Wines in Imperial gallons	Malt liquors in Imperial gallons
1912-13	3,060	512	852
1925-26	1,989	517	1,507
1926-27	1,996	701	1,521

No rum or beer is produced in the province. Three shops were licensed during the year 1926-27 for the retail sale of country beer manufactured at and imported from Bangalore. The licenses for these shops were disposed of by auction and fetched Rs 980 in 1926-27 against Rs 1,275 in 1925-26 and Rs 100 in 1912-13. In 1925-26 there were three shops as against one in 1912-13.

The duty on beer imported to Coorg is recovered at Bangalore at the rates prevailing there (*viz*, as 8 per Imperial gallon) and is credited to Coorg revenues by book transfer. The amount of duty realised in 1926-27 was Rs 788 against Rs 685 in 1925-26. Nothing was realised in 1912-13.

384 *Location of shops, etc* —No advisory committee was appointed during the year to deal with the number and location of shops. The suitability of the site of each shop in municipal areas was discussed with the municipal committee and with the adjacent planters and residents in case of shops in rural areas.

385 *Offences and convictions*—The number of prosecutions instituted during the year was 108 against 112 in 1925-26 and 61 in 1912-13. The following table gives the details of offences committed —

Year	Smuggling of ganja	Illicit distillation, possession, or sale of country spirit	Possession and sale of toddy without license	Breach of conditions of license
1912-13	3	26	31	1
1925-26	1	9	68	34
1926-27	3*	31	50	24

* One case of cultivation of hemp plant without license

386 *Administrative agency*—The Excise administration of Coorg is under the Commissioner of the Province. Besides one officer and a peon at the bonded warehouse at Mercara, there was an *abkari* establishment of two Sub-Inspectors and 4 peons for preventive purposes.

The police Sub-Inspectors are empowered under section 54 of the Excise Regulation to search without a warrant and the *Parpattigars* (local revenue subordinates) under section 51 to enter and inspect places of manufacture and sale of excisable articles.

387 *Incidence of Excise revenue per head*—Calculated on the census figures of 1921, the total Excise revenue in 1926-27 represented an average of Rs 2-0-2 per head of population, the bulk of which was derived from taxation on liquors. In 1925-26 the incidence of Excise receipts per head amounted to Rs 2-1-1 against Rs 1-6-7 in 1912-13.

388 *Any important or new legislation or resolution or bill in the Legislative Council*—During the budget discussion of March 1927, Mr C S Wuthia moved a motion to suggest the opening of a distillery in Coorg to distill paddy *arrack* and abandon the importation of liquor, distilled from molasses and palm juice, from Madras. In view of the assurance given by the Hon'ble the member in charge (Excise) that he would examine the question and study it, the motion was by leave withdrawn.

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CHAPTER XV—BALUCHISTAN.

389 *Excise revenue*.—The Excise receipts for 1926-27 amounted to Rs. 5,90,145 and are as follows:—

Heads.	Receipts in lakhs of rupees.	Percentage of total Excise revenue.
1. Country spirit	4.02	68.1
2. Duty on Indian made beer	63	10.7
3. Vendees on foreign liquors	19	3.2
4. Opium and its preparations	52*	8.8
5. Hemp drugs	54*	9.2
6. Miscellaneous	Normal	.
Total	5.90	100.0

In 1925-26 the total Excise receipts amounted to Rs. 6,09 lakhs, against Rs. 2,79 lakhs in 1912-13. The revenue from country spirit during 1925-26 amounted to Rs. 4,16 lakhs and represented 68.3 per cent of the Excise revenue. In 1912-13 the receipts from country spirit amounted to Rs. 1,65 lakhs and formed 59.1 per cent. of the Excise revenue.

This Memorandum is concerned only with the first three items.

390 *Laws regulating liquor and hemp drugs traffic*.—The Excise Regulation of 1915 was in force during the years 1925-26 and 1926-27. In 1912-13 the Indian Excise Act XII of 1896 applied to the Agency.

COUNTRY SPIRIT

391. *Excise system in force*.—Till the year 1909 the manufacture and vend of country spirit throughout Baluchistan, with the exception of Kalat State, were combined under a monopoly system. The monopoly rights were sold each year by auction, each district usually forming a separate farm and manufacture was carried on under the outstill system. With effect however, from the 1st October 1909, a contract distillery system was introduced in the Quetta-Pishin Sibi with the exception of tribal areas, Loralai, Bolan and Chagai districts. Subsequently with effect from the 1st April 1914, the Hindu-hagh and Killa Saifullah tahsils of the Zhob district (which can easily be served from the Quetta distillery) were brought under the contract distillery system, and the outstill system was reintroduced in the Musakhel tahsil of the Loralai district as the liquor required for consumption in this area can be easily procured from the still at Fort Sandeman. The contract distillery system thus

*Including Rs. 5,100 on account of sale proceeds of excise opium and hemp drugs issued to the Kalat State.

covered in 1926-27, an area of 38 321 square miles and a population of 3,30,136 according to the census figures of 1921. The outstill system remained in force in the Musakhel tahsil of the Loralai district, and the Fort Sandeman tahsil of the Zhob district, covering an area of 8,639 square miles, with a population of 53,488. For the corresponding figures relating to the years 1912-13 and 1925-26, see Statement V.

392 *The distillery system, manufacture and supply*—The liquor required for consumption in the district under the contract distillery system was issued from a Government distillery at Quetta. The exclusive right to manufacture liquor at this distillery is farmed out for a period of not less than two years and not exceeding four years, tenderers being invited to state the price per gallon at which they will supply the liquor to licensed vendors and the holders of special permits referred to in paragraph 396 below.

The supply rates per gallon, during the years 1912-13, 1925-26, and 1926-27, were as follows:—

For liquor issued from the Quetta distillery

—	Plain			Flavoured		
	1912 13	1925 26	1926 27	1912 13	1925 26	1926 27.
	Rs A P	Rs A P	Rs A P	Rs A P	Rs A P	Rs A P
10° U P .	1 5 0	2 4 9	2 4 9	1 6 6	2 5 3	2 5 3
20° U P .	1 0 6	2 0 6	2 0 6	1 2 6	2 1 0	2 1 0

For liquor issued from the bonded warehouse at Jhatpat in the Nasirabad sub-division of the Sibi district which was supplied from the Quetta distillery

—	Plain			Flavoured.		
	1912 13	1925-26	1926 27	1912-13	1925 26	1926 27
	Rs A P	Rs A P	Rs A P	Rs A P	Rs A P	Rs A P
10° U P .	1 7 0	2 5 9	2 5 9	1 8 6	2 8 3	2 8 3
20° U P .	1 2 0	2 1 0	2 1 0	1 4 0	2 1 0	2 1 0

The distiller was required to pay a fixed rent of Rs 200 per mensem for the distillery. In 1912-13 the distiller had to pay Rs 150 per mensem.

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393 *Issue strength and duty* — As stated above, liquor was issued from the distillery at fixed strengths of 10° and 20° under London proof (*vide*, Notifications by the Hon'ble the Agent to the Governor General in Baluchistan Nos. 492 and 493-R, dated the 27th January 1911) and was sold at those strengths. Liquor issued at the strength of 20° under proof was required to be coloured red, that issued at the higher strength of 10° under proof was uncoloured. There was an Inspector in charge of the distillery whose duty it was to control the manufacture and supply of the liquor. Issues for consumption in the Nasirabad and Railway sub division were made through a bonded warehouse established at Jhatpat, and those for consumption elsewhere on payment of duty before the liquor was taken out of the distillery. The minimum quantity allowed to be issued from the distillery at a time was 5 gallons and from the bonded warehouse at Jhatpat 2 gallons. On issues for consumption by the general public still-head duty at the rates specified below was charged —

When issued for consumption in the Quetta town —

1912 13	1925 26 and 1926 27	—
Rs A P 5 0 0	Rs A P 9 9 0	Per gallon of 10° underproof, and
4 7 0	8 8 0	Per gallon of 20° underproof

When issued for consumption in the Nasirabad and Railway sub division —

1912 13	1925 26 and 1926 27	—
Rs A P 3 8 0	Rs A P 6 2 0	Per gallon of 10° underproof and
3 2 0	5 8 0	Per gallon of 20° underproof

When issued for consumption in other areas —

1912 13	1925-26 and 1926 27	
Rs A P 4 0 0	Rs A P 7 12 0	Per gallon of 10° underproof and
3 8 0	7 0 0	Per gallon of 20° underproof

391 *Vend arrangements*—There were two kinds of vend licenses, whole-sale and retail. Wholesale vendors could sell liquor to retail vendors only, the license fee, which was unusually nominal, being fixed by the Revenue Commissioner. The right to sell liquor by retail was sold annually for each shop separately by public auction, the number of shops being determined before hand. Maximum rates at which retail vendors could sell liquor were fixed by the Revenue Commissioner.

Two wholesale and 44 retail licenses were issued during each of the years 1925-26 and 1926-27 in the distillery areas, compared with one wholesale and 47 retail licenses in 1912-13.

395 *Special issues to troops*—Special arrangements have been made for the supply of liquor of a strength of 20° underproof from the distillery at Quetta to Indian regiments stationed in Baluchistan who prefer it to rum. This liquor was coloured brown with caramel, and a uniform reduced rate of duty calculated on the basis of the average rates of duty leviable in the distillery area of the province, viz, Rs 7 per gallon of 20° under proof, was charged upon it.

396 *Special permits for private consumption*—Special permits could also be granted by Political Agents or officers specially authorised by them, not being below the rank of Extra Assistant Commissioner, to persons of known respectability, under which they could obtain either direct from the distillery or through a retail (but not wholesale) vendor specially manufactured liquor in quantities, not exceeding 9 gallons at a time, for their private consumption. If such liquor was obtained direct from the distillery, still-head duty was levied upon it at the enhanced rates of Rs 13-6-0 and Rs 12-1-0 per gallon of spirits of the strength of 10° and 20° under proof, respectively. These were the rates of duty in 1925-26 also. In 1912-13 the still-head duty was charged at the rate of Rs 5-8-0 and Rs 4-15-0 per gallon of spirit of the strength of 10° and 20° under proof, respectively.

397 *Issues and average taxation*—The issues from the distillery during 1926-27 amounted to 30,304 and 3,685 gallons of the strength of 10° and 20° under proof, respectively, equivalent to 30,221 gallons London proof. The revenue realised from duty amounted to Rs 2 96 lakhs and that from vend fees, etc, to Rs 0 91 lakh. The average taxation was Rs 12 73 per proof gallon of which Rs 9 79 were derived from duty.

In 1925-26 the total quantity of spirit issued in distillery areas was 30,279 gallons London Proof, compared with 23,599 gallons London Proof in 1912-13. The total receipts from spirit amounted to Rs 4 16 lakhs in 1925-26 and Rs 1 57 lakhs in 1912-13. The average taxation per proof gallon in 1925-26 was Rs 13 17 (Rs 9 84 from duty), compared with Rs 6 65 (Rs 5 01 from duty in 1912-13).

The total consumption of country spirit in the Agency (in distillery and out-still areas) was 32,492 8 proof gallons in 1926-27, against 32,318 7 in the preceding year and 25,072 proof gallons in 1912-13. The average consumption, of country spirit per 100 of the total population in the years 1912-13, 1925-26,

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and 1926-27 was 6 05, 7 68* and 7 72* proof gallons respectively. Thus there was an increase of 5 21 per cent in the consumption as compared with that of 1925-26 and an increase of 27 60 per cent. over that of 1912-13

398 *The outstill system*—As stated in paragraph 391 above the outstill system was in force in the Musakhel Tahsil of the Loralai district and the Lower Zhob tahsil of the Zhob district, the exclusive right of manufacture and sale of country spirit in that area being sold each official year by public auction. During each of the years 1925-26 and 1926-27 one outstill license was issued, and there were five retail shops both in 1926-27 and 1925-26. The revenue realised amounted to Rs. 15,264 against Rs. 15,024 in 1925-26.

In 1912-13 one outstill license was issued, and there were 15 retail shops. The revenue realised amounted to Rs. 08 lakh.

FOREIGN LIQUORS

399 *Vend arrangements*—Foreign spirits and fermented liquor (including rum and beer whether imported from Europe or made in India after European methods) were sold under wholesale and retail licenses, granted by Political Agents and Deputy Commissioners. Wholesale licenses were granted on payment of fixed fees varying from Rs. 50 to Rs. 300 per annum according to local circumstances, an additional fee of Rs. 50 to Rs. 100 per annum being charged for the privilege of bottling. Retail licenses permitting sale for consumption off the premises were granted on payment of fixed fees varying from Rs. 50 to Rs. 500 per annum, Rs. 12 being charged in the case of a special season license for the Ziarat Bazar. One retail license for consumption on the premises only is sold in the town of Quetta by public auction annually, but if the bid is lower than Rs. 600, no such license is issued. Hotel, refreshment room (other than railway refreshment room) and billiard room licenses were issued on payment of fees varying from Rs. 25 to Rs. 500 per annum. There were also railway refreshment room and dāk bungalow licenses and special licenses issued under the military canteen tenant system, all at lower rates. Sometimes temporary bar licenses for the sale of liquor for a period not exceeding six days were granted at the discretion of the Political Agent or Deputy Commissioner, the minimum fee charged for them being Rs. 4 per diem. The fee for dāk bungalow licenses varied from Rs. 12 to Rs. 25 per annum.

Thirteen wholesale and 25 retail licenses (including 1 for consumption on the premises) for the vend of foreign liquors, were issued during the year 1926-27 compared with 12 wholesale and 25 retail licenses in the preceding year and 5 wholesale and 16 retail licenses in 1912-13. In 1926-27 there were also 10 hotel and 13 refreshment room and dāk bungalow and 33 military canteen and 23 temporary stall licenses. Twenty seven licenses were issued for the sale of denatured spirits in 1926-27, against 25 in the preceding year and 12 licenses in 1912-13.

* These figures do not agree with the figures shown in the Excise Administration Reports because the figures in the latter have been worked out on the population of the district only while these figures have been calculated on the total population of the province.

400 *Consumption*—The consumption of foreign liquors (imported) in 1925-26 and 1926-27 is compared in the following table —

Description.	In Imperial gallons	
	1925 26	1926 27.
(a) Wine	2,449	2,407
(b) Spirits	8,335	9,008
(c) Beer	60,336	56,510

401 *Beer, etc*—Breweries could be established subject to the necessary rules and restrictions for safe-guarding Government revenue, the beer passed out therefrom being exsised at Re 0-8-0 per Imperial gallon. An Excise Officer was required to be stationed at the brewery to supervise operations, and in that case the brewer was bound to provide him with quarters, but his pay was a Government charge. No charge was made for a brewery license. There was only one brewery in the province. It belonged to the Muree Brewery Company, and was situated at Kirani near Quetta. The consumption of Indian-made beer in 1926-27 was 132,456 Imperial gallons, against 113,535 Imperial gallons in 1925-26.

402 The brewers were granted separate licenses for the wholesale vend of fermented liquors manufactured at their brewery only on payment of a fee ranging from Rs 50 to Rs 300 per annum. One such license was taken out during the year 1926-27. Retail licenses for the sale of foreign fermented liquors (imported as well as locally manufactured) for consumption on the premises only were sold by auction and the special sanction of the Revenue Commissioner was required to their grant when the fees bid for them fell below Rs 300. Two such licenses, issued in the Quetta Town during 1924-25, remained in force during 1926-27.

LOCATION OF SHOPS

403 Except at Quetta there was no town or bazar in the province in which there was an Advisory Committee. The Advisory Committee at Quetta consisted of 4 non-official and 3 official members, but its functions were merely advisory, and no powers were delegated to it. All questions connected with the reduction and location of shops and the hours of sale and other kindred matters were referred to it. Elsewhere the number and location of excise shops were carefully supervised by the local authorities, and the local *panchayats* were consulted when any change was thought necessary.

404 *Offences and convictions*—The number of persons convicted for drunkenness in Baluchistan during 1912-13, 1925-26 and 1926-27 was 65,139 and 100 respectively. Country liquor in small quantities was illicitly imported from the Kalat State. Five cases of smuggling of country liquor were detected during the year.

ADMINISTRATIVE AGENCY

405 Excise arrangements were worked by the district officers under the supervision of the Revenue Commissioner. Besides the Distillery Inspector referred to in paragraph 393 above, two Excise Inspectors were appointed, one for the Quetta-Pishin, Bolan, Chagai and Zhob districts, and the other for the Sibi and Loralai districts.

INCIDENCE OF EXCISE REVENUE PER HEAD

406 Calculated on the census figures of 1921, the average total Excise revenue (excluding Rs 5,100 on account of sale proceeds of opium issued to the Kalat State) per head of population in 1926-27 works out to Rs 1 53 of which about 2/3rds was contributed by liquors. In 1925-26 the average Excise revenue was Rs 1 56 per head, compared with Re 0 67 in 1912-13.

CHAPTER XVI.

STATEMENTS.

Number I—XI.

I
Statement showing consumption (issues) of country spirit during 1912-1913, 1925-26, and 1926-27 and the percentage of increase or decrease over the figures of 1912-13 and 1925-26

Province	Absolute consumption of country spirit during			Average consumption of the population calculated on the census figures of			[In L P Gallons, Percentage of increase (+) or decrease (-) of consumption during 1926-27 over the figures of	
	1912 13	1925 26		1912 13	1925 26		1912-13	1925 26
		1912 13	1926 27		1912 13	1926 27		
Madras Presidency	1,773,673	(a) 1,375,123	1,447,670	4 28	3 25	3 42	-20 09	+ 5 23
Bombay Presidency	2,630,860	1,387,390	1,207,176	16 30	8 67	8 10	-50 31	-6 57
Bengal Presidency	228,204	127,913	100,384	6 49	3 00	3 34	-48 54	-14 36
Burma	851,634	632,351	627,062	1 87	1 36	1 35	-26 25	- 60
Bihar and Orissa	57,391	108,766	113,472	0 47	0 82	0 86	+82 98	+4 88
United Provinces	1,157,636	1,124,000	1,064,352	3 36	3 20	3 10	-8 05	-5 30
Punjab	1,680,932	371,453	1,064,352	3 61	0 82	0 79	-78 65	-2 86
Central Provinces and Berar	(b) 419,932	(b) 272,795	(b) 360,804	- 2 14	1 31	1 43	-29 09	+9 15
Assam	1,201,346	554,375*	469,098*	8 63	3 08*	3 38*	-60 88	-15 22*
N W F Province	247,363	237,480	262,115	3 08	3 05	3 36	-8 7	+10 16
Delhi	(b) 24,296	(b) 21,293	(b) 10,936	1 11	0 94	0 94	+1 80	-8 43
Ajmer-Merwara	32,505	14,782	18,409	7 82	3 02	3 77	-43 08	+25 14
Coorg	51,780	73,183	66,863	10 33	14 77	13 50	+30 08	-8 5
Baluchistan	26,493	22,866	21,213	15 14	13 95	12 94	-14 53	-7 24
	25,072	32,310	32,493	6 05	7 08	7 72	27 60	5 21
Total	10,418,026	6,356,098	6,200,724	4 27	2 54	2 52	-40 40	-2 3

(a) Revised figures

(b) These figures represent sales, not issues
* Figures relate to 1925 and 1926 and include O P spirit issued for fortification

II

Classified statement showing consumption of potable foreign liquors during the years 1916-17, 1925-26 and 1926-27 and the total number of licenses (bazars, hotels, restaurants, dining cars, etc., including temporary, special and canteen licenses) for the retail sale of these liquors

Province	1916-17 *				1925-26				1926-27			
	Total number of licenses (including temporary licenses)	Spirits (in proof gallons)	Vines (bulk gallons)	Beer Imported (Imperial gallons) Manufactured in India (Imperial gallons)	Total number of licenses (including temporary licenses)	Spirits (in proof gallons)	Vines (bulk gallons)	Beer Imported (Imperial gallons) Manufactured in India (Imperial gallons)	Total number of licenses (including temporary licenses)	Spirits (in proof gallons)	Vines (bulk gallons)	Beer Imported (Imperial gallons) Manufactured in India (Imperial gallons)
Madras Presidency	503	145,083	28,340	7,02,413 717,849 70,610	510	103,312	20,868	124,618	521	98,187	22,457	160,213
Bombay Presidency proper	372	282,681	64,068		947	217,240	29,792	449,344	1,156	214,572	35,142	520,667
Bombay Presidency Sind	74	30,110	4,021		112	51,704	11,064	304,556	173	49,332	9,409	280,448
Bengal Presidency	544	213,444	30,060	247,478	663	223,168	37,767	431,842	638	224,045	38,441	463,984
Burma	324	67,200	280	3,120	487	(a)	(a)	181,976	590	(a)	(a)	170,125
Bihar and Orissa	140	14,762	3,912	22,763	180	15,590	6,300	80,593	190	20,329	4,725	78,745
United Provinces—	540	65,388	27,338	118,781	800	69,721	10,377	215,105	984	64,973	28,823	241,267
Punjab	395	35,023	10,871	68,276	645	52,908	13,045	197,088	649	58,237	20,528	210,953
Central Provinces and Berar	85	27,643	4,707	100,870	226	14,814	2,366	51,480	198	9,166	1,941	47,203
Assam	104		3,228	20,239	108	13,261	2,402	12,326	110	15,806	3,126	15,516
N W F Province	69	10,219	2,351	4,841	118	18,094	5,066	92,334	118	18,765	5,072	57,655
Delhi	10	1,587	110		75	14,042	3,068	10,066	73	14,380	4,695	24,063
Ajmer Merwar	13	3,944	800	32,010	12	3,378	829	20,798	14	3,703	860	32,620
Coorg	8	1,503	350	1,022	11	1,989	517	1,507	10	1,998	704	1,631
Baluchistan	69	3,010	975	2,918	123	8,335	2,440	60,336	106	9,008	2,407	56,510
Total	3,250	911,087	191,047	708,528	5,038	897,555	156,430	1,626,191	5,530	792,499	178,320	1,727,381
				1,517,012				431,842				2,829,782
												463,984

* Figures for 1916-17 have been substituted for those relating to 1912-13, (which has been adopted as the basis year in other statements) as the figures for the latter year are not reliable

(a) Information not available

† Including exports to other provinces

‡ These are Imperial

III

Statement showing number of country spirit shops (in distillery as well as out-still areas per 100,000 of population and the average area per shop during the years 1912-13, 1925-26 and 1926-27

Province	Total number of country spirit shops during			Average area per country spirit shop (in sq miles) during			Number of country spirit shops per 100,000 during		
	1912 13	1925 26	1926 27*	1912 13	1925 26	1926 27	1912 13	1925 26	1926 27
Madras Presidency	8,976	5,930	5,930	15 80	24 01	24 00	21 08	14 02	14 02
Bombay Presidency proper	2,114	1,009	1,588	35 05	47 87	48 51	13 10	10 05	9 92
Sind	249	115	1,588	188 70	404 1	415 23	2 83	3 51	3 42
Bengal Presidency	1,287	948*	938*	61 15	75 03	70 44	1 07	2 03	2 01
Burma	130	203	202	1,775 68	1,151 27	1,150 97	6 05	1 54	1 53
United Provinces	2,088	1,589	1,570	39 84	52 41	52 76	10 13	4 07	4 04
Punjab	4,742	2,282	2,268	22 02	46 58	46 87	4 06	5 02	4 00
Central Provinces and Berar	705	510	661	26 56	184 40	145 38	27 01	2 50	0 19
Assam	3,759	2,356	2,204	282 00	42 39	43 54	2 8	10 93	0 19
North West Frontier Province	188	102	191	125 50	270 12	277 56	1 08	2 40	16 40
Delhi	37	25	26	26 06	302 05	530 76	25 52	1 19	2 45
Ajmer Merwara	15	0	10	(a)	105 88	59 30	2 01	2	1 10
Coorg	128	109	111	21 18	24 87	24 42	22 01	22 11	22 11
Baluchistan	33	25	49	47 94	63 28	63 28	15 26	15 26	15 26
	62	40	871 65	1,106 69	1,106 69	1,106 69	11 96	11 66	11 65
Total	24,003	15,003	15,093	44 3	68 3	68 2	10 09	0 47	0 48

*Excluding temporary shops
(a) Not ascertained

IV

Statement showing number of country spirit shops, and tari and toddy and pachuwa shops in 1912-13, 1925-26 and 1926-27 respectively and percentage of increase (+) or decrease (—) compared with the years 1912-13 and 1925-26

Province	Number of country spirit shops during			Percentage of increase (+) or decrease (—) of the number of country spirit shops over that of the year		Number of shops for retail sale of tari or toddy, etc., and pachuwa and other country fermented liquors during			Percentage of increase (+) or decrease (—) of the number of tari, toddy and pachuwa, etc., shops over the figures	
	1912 13	1925 26	1926 27	1912 13	1925 26	1912 13	1925 26	1926 27	1912 13	1925 26
Madras Presidency	8,976	5,936	5,939	—33 83	+0 05	14,478	10,434	10,355	—28 48	—0 76
Bombay Presidency proper	2,114	1,609	1,588	—24 88	—1 31	1,042	1,040	1,025	—1 63	—1 44
Sind	249	115	112	—55 02	—2 61	4	9	9	+125 0	Stationary
Bengal Presidency	1,287	(a) 954	(a) 945	—26 57	—94	2,260	1,746	1,738	—23 09	—45
Burma	130	203	202	+55 38	—49	1,098	813	813	—25 98	Stationary
Bihar and Orissa	2,088	1,589	1,579	—24 37	—62	8,012	5,773	5,823	—27 32	+86
United Provinces	4,742	2,282	2,208	—52 17	—0 61	3,023	1,750	1,714	—43 30	—2 05
Punjab	795	519	661	—16 85	+27 36	25	15	15	—40 0	Stationary
Central Provinces and Berar	3,769	2,366	2,294	—38 97	—2 63	493*	418*	406*	—17 65	Stationary
Assam	188	192	191	1 64	—52	23	6	6	—71 91	Stationary
North-West Frontier Province	37	25	26	—29 73	+4					
Delhi	15	9	10	—33 3	+11 1					
Ajmer Morwar	128	109	111	—13 28	+1 83					
Coorg	33	25	25	—24 23	Stationary	88	2	2	—48 86	—4 25
Baluchistan	62	49	49	—20 97		2	47	45	—100 0	Stationary
Total	24,603	15,972	16,000	—35 0	+0 2	30,548	22,053	21,951	—28 1	—0 5

* The shop licenses figures exclude domestic consumption and hawking licenses and licenses for the sale of fresh (unfermented) tari
(a) Including temporary shops

Statement showing percentage of area under the out-still system and the percentage of population served by it during the year	
1912-13	1925-26
<p>1012 13</p>	<p>1025 26</p>

Province	1912-13						1925-26						1926-27					
	Population (in thousands)	Population (in thousands)	Percentage of population served by out-still	Total area (square miles)	Area under out-still (square miles)	Percentage of whole area under out-still	Population (in thousands)	Population (in thousands)	Percentage of population served by out-still	Total area (square miles)	Area under out-still (square miles)	Percentage of whole area under out-still	Population (in thousands)	Population (in thousands)	Percentage of population served by out-still	Total area (square miles)	Area under out-still (square miles)	Percentage of whole area under out-still
Madras Presidency	41,105	14,106	34.1	142,330	18,847	13.24	1,300	1,300	3.23	142,200	17,008	12.38	1,360	1,360	3.23	142,200	17,008	12.38
Bombay Presidency proper	10,137	22	14	75,003	805	1.06	13	13	0.8	77,035	304	0.39	13	13	0.8	77,035	304	0.39
Sind	3,513	5,240	11.52	40,080	0,075	0.19	243	243	1.84	40,500	4,005	10.13	243	243	1.84	40,500	4,005	10.13
Bengal Presidency	45,483	12,115	26.65	78,090	18,462	23.64	2,213	2,213	6.51	231,707	4,005	1.72	2,057	2,057	6.01	231,707	4,005	1.72
Burma	12,115	015	0.12	230,830	30,882	13.36	1,780	1,780	3.94	100,205	12,730	12.70	1,780	1,780	3.94	100,205	12,730	12.70
United Provinces	34,400	7,020	20.35	83,181	14,504	17.32	2,061	2,061	1.91	90,870	6,077	6.66	2,001	2,001	1.91	90,870	6,077	6.66
Punjab	40,807	1,817	3.88	107,207	30,882	28.76	1,780	1,780	3.94	100,205	12,730	12.70	1,780	1,780	3.94	100,205	12,730	12.70
Central Provinces and Berar	10,670	1,442	13.50	90,770	14,504	15.98	2,061	2,061	1.91	90,870	6,077	6.66	2,001	2,001	1.91	90,870	6,077	6.66
Annam	13,010	044	0.34	90,823	20,080	22.11	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
North West Frontier Province	0,714	0	0	53,015	14,157	26.70	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
Dahli	2,107	0	0	13,418	10,315	76.82	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
Almor Merwar	413	70	16.94	2,711	10,315	37.86	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
Coorg	501	10	2.00	1,582	10,315	67.76	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
Baluchistan	175	7	4.00	54,228	10,315	18.84	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
414	70	10	14.29	54,228	10,315	18.84	584	584	7.07	53,015	10,000	18.86	584	584	7.07	53,015	10,000	18.86
Total	243,850	18,280	7.50	1,080,861	135,277	12.41	5,246	5,246	0.48	1,082,440	75,527	6.98	5,246	5,246	0.48	1,082,440	75,527	6.98

*Including Delhi

Average taxation per proof gallon of country spirit during

Province	1912-13			1925-26			1926-27		
	By duty	By vend fee	Total	By duty	By vend fee	Total	By duty	By vend fee	Total
	Rs a p	Rs a p	Rs a p	Rs a p	Rs a p	Rs a p	Rs a p	Rs a p	Rs a p
Madras Presidency	5 12 0	2 3 7	7 15 7	9 0 7	4 14 10	13 15 5	9 3 6	4 11 0	13 15 3
North-West Frontier Province	5 1 6	0 10 4	5 11 10	10 2 8	6 14 7	17 1 3	9 15 8	6 3 10	15 3 6
Bombay Presidency	5 6 4	0 12 9	6 3 1	10 11 0	6 11 1	17 6 1	12 3 2	7 12 7	19 15 9
Central Provinces and Berar	4 4 7	2 15 0	7 6 10	13 10 6	1 9 0	15 3 6	12 14 10	1 7 11	13 6 9
Coastal Provinces	4 4 0	1 14 8	6 2 8	7 0 8	4 11 10	11 12 6	6 14 10	4 12 3	11 11 1
United Provinces	1 15 8	1 4 10	3 4 6	5 0 8	2 2 4	7 3 0	4 14 0	2 7 8	7 6 2
Central Provinces and Berar	3 2 10	1 10 1	4 12 11	9 15 2	3 13 11	13 13 1	9 15 5	3 12 9	13 12 2
Assam	5 0 0	3 9 10	8 9 10	14 1 0	5 4 10	19 5 10	12 8 0	5 7 4	17 15 4
North-West Frontier Province	3 11 3	2 8 1	6 3 4	9 10 7	7 5 1	16 15 8	8 4 10	7 7 10	15 12 8
Assam	3 2 1	2 7 3	5 9 4	5 0 2	3 0 2	8 0 4	4 15 4	3 1 0	8 0 4
North-West Frontier Province	5 0 0	4 4 6	9 4 6	14 1 0	9 11 4	23 12 4	12 8 0	8 3 0	20 11 0
Bihar	5 0 0	3 15 3	8 15 3	14 1 0	9 2 2	23 3 1	12 8 0	8 1 5	20 9 5
Assam	4 1 10	1 11 10	5 13 8	7 1 4	0 15 6	8 0 10	7 3 7	1 3 3	8 6 10
Central Provinces and Berar	5 10 0	1 9 4	7 3 4	8 7 5	3 9 5	12 0 10	8 7 5	4 0 7	12 8 0
Assam	5 1 4	1 9 1	6 10 5	9 13 5	3 5 4	13 2 9	9 12 8	2 15 0	12 11 8

(a) Perused Figures

Statement showing revenue derived from country spirit (excluding revenue from country spirit issued to Indian States) during the years 1912-13, 1925-26 and 1926-27 and the percentage of increase (+) or decrease (—) [In lakhs of rupees]

Province	Revenue from country spirit during										Percentage of increase (+) or decrease (—) of total revenue during 1926-27 compared with the figures of
	1912 13			1925 26			1926 27			Grand total	
	In Distillery areas	In Out-still areas	Grand total	In Distillery areas	In Out still areas	Grand total	In Distillery areas	In Out-still areas	Grand total		
Madras Presidency	141 43		144 57	195 88	3 18	199 06	201 95		205 50	+42 15	+3 24
Bombay Presidency proper	145 57	3 14	145 05	237 05		237 05	211 26		211 72	+45 36	—10 69
Sind		0 08									
Bengal Presidency	14 13		14 13			22 23	21 86		21 86	+54 71	—1 66
Burma	63 27	83	64 10	22 23		96 26	90 58		90 58	+41 31	—5 90
Bihar and Orissa	3 54	0 60	4 14	96 26		13 48	14 08	10	14 18	+242 51	+ 40
United Provinces	37 96	16 11	54 07	13 48		80 87	49 64	2 27	91 54	+60 29	—1 52
Punjab	81 20	1 40	82 60	51 33	81	57 17	57 31	94	57 31	—37 15	—2 76
Central Provinces and Berar	41 61		41 61*	94 12	0 73	94 93	74 21		75 15	+37 73	+ 24
Assam	74 59	2 66	77 25			19 93	21 04	0 89	21 93	—2 77	—20 83
North West Frontier Province	13 81	0 26	14 07	19 20		4 72	4 25		4 25	+55 8	+10 03
Delhi	2 23		2 23	4 72						+90 5	—9 9
Ajmer Merwara	1 52		1 52	1 35		1 35	1 50		1 50	—1 3	+11 1
Coorg	3 03		3 03	5 89		5 89	5 64		5 64	+86 13	—4 24
Baluchistan	1 91		1 91	2 72		2 72	2 63		2 63	+37 69	—3 31
	1 57	08	1 65	4 01		4 16	3 87		4 02	+143 64	—3 37
Total	627 37	25 16	652 53	886 28	22 08	908 36	838 45	21 27	859 72	+31 7	—5 4

*Including Delhi

*Including Delhi

VIII
Statement showing the average Excise revenue per head of population, the total Excise revenue, expenditure under Excise and the net receipts from Excise during the years 1912-13, 1925-26 and 1926-27

Province	Average Excise revenue per head of population (To the nearest pice)			Gross Excise revenue (In lakhs of rupees)			Total charges under Excise (In lakhs of rupees)			Net revenue from Excise (In lakhs of rupees)	
	1			2							
	1912 13	1925 26	1926 27	1912 13	1925 26	1926 27	1912 13	1925 26	1926 27	1912 13	1925 26
Madras Presidency	0 12 9	1 2 6	1 3 0	3 30 20	4 01 79	5 11 36	18 13	17 41	13 65	3 12 16	4 17 38
Bombay Presidency	1 2 0	1 4 10	1 3 8	1 88 05	3 58 61	3 29 89	10 27	20 12	22 82	1 78 38	3 38 19
Sind	0 4 10	0 7 9	0 2 5	1 23 19	42 61	2 25 55	6 01	3 65	2 4 19	2 22 79	3 38 96
Bengal Presidency	0 13 3	0 9 3	0 4 5	1 37 59	1 23 63	1 44 45	11 91	26 12	23 65	1 31 58	2 02 32
Burma	0 4 4	0 4 6	0 2 7	85 21	1 07 37	1 57 98	5 36	31 63	20 55	70 27	92 0
Bihar and Orissa	0 12 2	0 15 9	0 13 4	1 04 01	1 34 10	1 31 72	2 13	17 93	13 39	98 65	1 73 93
United Provinces	0 4 10	0 4 2	0 9 2	1 26 17	1 26 31	1 28 34	8 37	13 82	19 91	1 21 85	1 73 67
Punjab	0 11 9	0 3 10	0 13 8	1 05 73	1 26 30	1 42 07	1 15	0 99	*16 52	1 02 83	1 07 63
Central Provinces and Berar	0 4 4	0 4 6	0 9 2	1 11 20	1 04 30	1 42 07	1 15	0 99	10 97	1 02 83	1 07 63
Assam	0 5 2	0 2 7	0 13 4	48 52	11 03	10 61	0 14	0 71	0 50	3 08	3 71
North West Frontier Province	0 12 2	0 14 8	1 0 2	3 15	4 52	4 92	0 60	0 32	0 36	3 34	6 82
Delhi	0 11 3	1 7 1	2 0 2	3 52	7 14	6 88	13	0 5	10	2 30	3 35
Ajmer Morwarra	1 6 7	1 9 0	1 8 6	2 47	3 40	3 30	72 20	2 20	2 66	5 79	5 66
Coorg	0 10 9	0 12 9	0 12 9	2 79	6 09	5 90	19 45 51	19 76 23	2 01 72	11 04 85	17 54 54
Baluchistan	0 8 1	0 12 9	0 12 9	12 36 53	19 76 23	19 45 51	72 20	2 20 50	2 01 72	11 04 85	17 54 54
Total	0 8 1	0 12 9	0 12 9	12 36 53	19 76 23	19 45 51	72 20	2 20 50	2 01 72	11 04 85	17 54 54

*Inclusive of cost price of opium and hemp drug

+Inclusive of refunds

†Inclusive of compensation for loss of duty paid by the Government of India amounting to Rs 6 97 lakhs

‡Inclusive of Rs 1 69 lakhs credited to other Administrations

§Includes Rs 5 28 lakhs (assignments)—credit to other Administrations Rs 6 97 — 1 69 = 5 28

¶(a) Including Delhi

||Including Delhi

IX

Statement showing the number of persons convicted for Excise and Opium Offences during the years 1912-13, 1925-26 and 1926-27

Province	1912 13		1925 26		1926 27	
	Total convictions.	Convictions per 100,000 of total population	Total convictions	Convictions per 100,000 of total population	Total convictions	Convictions per 100,000 of total population
Madras Presidency	11,813 (cases)				5,032 (cases)	
Bombay Presidency proper	3 206 (cases)		5,356 (cases)		5,675 (cases)	
Sind	119	3 30	320	0 77	373	11 38
Bengal Presidency	3,016	6 63	5,880	12 65	5,546	11 02
Burma	8,866	73 18	8,821	66 76	9,164	60 36
Bihar and Orissa	1,580	4 58	3,196	9 39	3,231	9 50
United Provinces	2,010	4 29	2,160	5 12	2,600	5 51
Central Provinces and Berar	570	2 01	1,549	7 46	1,307	6 3
Assam	708	5 52	*3,145	22 0	*30 74	22 03
North West Frontier Province	340	5 20	543	6 72	500	6 42
Delhi	58	2 64	319	14 28	181	8 1
Ajmer Merwara	45	10 88	208	12 6	87	17 82
Coorg	77	15 36	83	16 75	86	17 36
Baluchistan	63	36 09	112	68 29	108	65 85
cases of smuggling, 65 convictions for drunkenness	13		164	42 75	126	29 95

* Figures for calendar years

Statement showing the number of convictions for offences relating to country spirit for the years 1912-13, 1925-26 and 1926-27

Province	1912-13		1925-26		1926-27	
	Convictions (total number)	Convictions per 100,000 of total population	Convictions (total number)	Convictions per 100,000 of total population	Convictions (total number)	Convictions per 100,000 of total population
Madras Presidency	†979	*	2,208	*	2,208	*
Bombay Presidency proper	885	31	1,221	2 62	1,286	†2 76
Bengal Presidency	12	1 00	1,861	14 11	1,989	15 05
Burma	451	13 48	1,909	5 61	1,510	4 44
Bihar and Orissa	1,633	2 31	1,382	3 05	1,520	3 34
United Provinces	798	1 59	868	4 18	689	3 32 *
Punjab	749	1 35	*		250 (offences)	
Central Provinces and Berar	264	1 67	293 (offences)		19	3 07
Assam	112		22	2 25	15	5 65
North West Frontier Province	1		11	9 69	28	18 90
Delhi	26		48	5 49	31	25 67
Ajmer Merwar	1†		9	37 02	108	
Coorg			15 85			
Baluchistan						

* Figures not available

† Cases of illicit distillation, possession and sale of illicit spirits reported

‡ Case of smuggling

XI
Statement showing the total gross revenue of each province total revenue from excise (excluding compensation and refunds), revenue from liquors and the percentages of revenue under Excise as well as liquors to the total gross revenue during the years 1912-13, 1925-26 and 1926-27

Province	Total gross revenue (In lakhs of rupees)			Excise revenue excluding compensation and refunds (In lakhs of rupees)			Revenue derived from liquors (In lakhs of rupees)			Percentage of the total gross revenue borne by the					
	1912 13	1925 26	1926-27	1912 13	1925-26	1926 27	1912 13	1925 26	1926 27	Excise revenue in			Revenue from liquors in		
										1912 13	1925 26	1926 27	1912 13	1925 26	1926 27
Madras Presidency	8.08 4	14 71 1	15,33 3	3 31 5	4 02 7	5 00 0	3 00 2	4,30 0	1,55 0	11 0	13 5	13 0	37 0	29 8	20 7
Bombay Presidency proper	7 05 8	15 58 4	14,80 2	2,00 1	4 01 5	3 00 7	1,84 2	3,43 2	334	20 3	25 7	20 1	23 1	2 2	22 5
Bengal Presidency	7 10 5	10 70 5	10 50 4	1 37 5	2,20 0	3,24 1	82 8	1,03 1	1 52 1	10 2	21 3	21 3	11 0	15 2	14 5
Burma	0 08 3	10 60 2	10 64 3	81 1	1 23 6	1 31 1	42 0	71 8	80 0	13 3	11 0	11 1	7 1	7 0	8 5
Bihar and Orissa	3 35 2	5 04 3	5 06 0	1 03 8	1 05 6	1 07 3	08 1	1 06 7	1 06 9	10 2	11 0	10 1	12 7	20 3	10 00
United Provinces	7 07 0	12 71 1	12 80 7	1,25 8	1 32 0	1 30 0	00 0	72 1	09 5	17 0	10 2	10 5	3 0	5 7	5 1
Punjab	5 00 5	12 06 4	11 65 0	00 8	1 17 0	1 23 7	46 0	71 3	71 3	0 0	10 2	10 2	24 3	6 1	6 1
Central Provinces and Berar	3 25 4	5 35 2	5 20 3	1,00 0	1,50 5	1 13 4	70 1	1,02 5	84 0	12 5	20 2	26 0	21 3	10 2	16 1
Assam	1 78 1	2 50 5	2 50 0	48 4	73 7	71 8	14 3	20 0	23 0	28 1	27 0	27 0	8 0	7 7	8 1
North West Frontier Province	1 04	11 03	10 01	4 0	1 17 7	1 15	1 5	2 0	2 1	13 0	12 1	12 1	2 0	7 2	2 7
Dolui	3 15	4 62	4 02	3 14	4 17	1 71	1 5	1 82	78 71	87 01	78 53	43 00	10 01	7 7	8 1
Goorg	(a) 15 0	12 07	(a) 2 9	3 40	3 30	(a) 3 30	1 33 1	1 33 1	7 23	22 07	25 52	(a) 25 52	22 20	1 2	2 7
Baluchistan	10 50	21 87	21 03	6 07	5 90	5 90	1 4 02	1 4 02	1 84	27 75	27 75	27 28	22 50	22 50	22 38

(a) Information not available

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